

Summary of Developments in Major Problems of United States Foreign Policy

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This Summary is issued as a continuing supplement to "Major Problems of United States Foreign Policy, 1947—A Study Guide" published early in the autumn of 1947 by the Brookings Institution. It will appear nine times during the academic year 1947-48, an issue to cover the developments in each month from September 1947 through April 1948, inclusive, with the ninth issue to cover May and June 1948. Each issue of the Summary will be available about three weeks following the close of the period to which it pertains.

The general outline of the Summary is keyed to the outline in Part III of "Major Problems of the United States Foreign Policy, 1947—A Study Guide." Variations in this outline may occur from time to time with changes in the course of current history and the resultant shifts in the problems confronting the United States. Any major variations of this kind will be noted in the Introduction to each issue of the Summary.

The material in this Summary is based on publicly available official documents bearing on the events recorded and on information contained in selected American and foreign newspapers. Every effort is made to verify the accuracy of the statements made.

This publication is a part of a broad program of research and education in international relations, recently inaugurated by the Brookings Institution and focused on the current foreign policies of the United States. The program is being undertaken by the staff of the Institution's International Studies Group. The Summary is prepared by Jeannette E. Muther assisted by Constance G. Coblenz, Marie J. Thresher, Frances M. Shattuck, Tatiana Buzanova, and Maxine Lybarger, under the guidance of the principal members of the research staff.

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INTRODUCTION

Four developments during September were of outstanding importance in the major problems of United States foreign policy.

The opening of the month was marked by the signature on September 2 of the Treaty of Rio de Janeiro drafted by the Inter-American Conference for the Maintenance of Continental Peace and Security. Both the United States and Argentina are signatories of this treaty, which is based on the wartime Act of Chapultepec of 1945. The treaty will--when ratified by two-thirds of the American republics--bind them into a type of "regional arrangement," permitted by the Charter of the United Nations, under which the American republics agree to provide each other reciprocal assistance, including the use of armed force, in the event of an armed attack or of other acts or threats of aggression against any American state.

The first treaties, covering the peace settlements with Italy, Bulgaria, Hungary, Rumania, and Finland, came into force on September 15. Entry into force of the treaties, upon which negotiations had been completed in February 1947, had been delayed pending their ratification by the Soviet Union. With these treaties in effect, attention was focused more than ever on the remaining peace settlements still to be made with Germany, Japan, Austria, and Korea.

The second regular session of the General Assembly of the United Nations opened in New York on September 16. By the close of the month, more than sixty items had been put on the agenda for action by the Assembly. Included among the major problems placed before the Assembly were: Palestine, the Greek situation, Korea, Franco Spain, the possibility of a revision of the Italian peace treaty, the veto question, a proposal for an Interim Committee of the Assembly to facilitate pacific settlement of disputes, and the international control of atomic energy.

The Committee of European Economic Co-operation, in which 16 European countries participated, completed its work on September 22 and its report was transmitted to President Truman two days later. The Committee, which had been at work in Paris for more than two months, estimated Europe's total dollar deficit over the next four years at approximately 22.4 billion dollars, a part of which could be met from the International Bank and sources other than special assistance. Meanwhile, the worsening food and general economic situation in Europe had raised the possibility that some form of sizeable emergency, or "interim," aid from the United States would be needed before the end of the winter and preceding the provision of any long-term American aid based on the Committee's proposals.

Two of these developments also provided the occasions for speeches of major importance on American foreign policy, made by the President and the Secretary of State.

President Truman in an address on September 2 to the closing session of the Inter-American Conference at Rio de Janeiro made a general

statement on some of the broad objectives of United States foreign policy. Because of the importance of this statement, the general objectives that he set forth in the problems of the peace settlement, in economic and social problems, in political problems, and in security problems are given at the opening of each of these four sections in this Summary.

Secretary of State Marshall, addressing the General Assembly on September 17, covered several specific problems of American foreign policy related to the work of the United Nations Organization. Important among these were the Greek situation, Korea, the veto question, a proposal for an Interim Committee of the Assembly, the control of atomic energy, and the regulation of conventional armaments. The views that he expressed with regard to each of these problems are contained in this Summary in the sections devoted to the problem concerned.

* * * * *

This issue of the Summary, the first in the series for the academic year 1947-48, covers only the events for September 1947, since the Study Guide, which the Summary supplements, itself generally covers developments in 1947 up to that point. In future years, however, it is expected that the Study Guide will be published earlier in the autumn than was the case this year and will cover only developments up to the July immediately preceding. The first issue of the Summary in each series supplementing future annual editions of the Study Guide will, therefore, cover generally the developments during July, August, and September.

CONTENTS

	Page
Introduction	i
I. PROBLEMS OF THE PEACE SETTLEMENT	1
A. Peace Settlement Negotiations	1
1. Germany	1
Washington Conference on Coal Production in the Ruhr.	1
Protests Against Economic Recovery Program	4
Proposed Review of Bi-Zonal Economic Fusion	6
Political Crisis in Bavaria	6
Land Reform in the Soviet Zone	7
Reduction of Rations in Anglo-American Zone	7
2. Japan	7
Canberra Conference on Japanese Treaty.	7
Policy Decision on Reduction of Industrial War Potential	7
Chinese Views on Rebuilding Japanese Economy	8
Dissension in Allied Council	9
3. Austria	10
Austrian Treaty Commission	10
International Status	11
4. Korea	11
Proposed Four Power Conference	11
General Assembly Discussion	12
Soviet Proposal for Withdrawal of Troops	14
B. Implementation of Peace Treaties	14
Entry into Force of Peace Treaties	14
1. The Italian Treaty	15
a) Trieste	15
Protests Concerning Actions in Trieste	15
General Strike in Trieste	15
b) Possible Revision	16
Proposals Before the General Assembly	16
II. ECONOMIC AND SOCIAL PROBLEMS	17
A. Reconstruction and Development	17
1. The Marshall Plan	17
Report of Committee of European Economic Co-operation	17
Interim American Aid to Europe	21
Fund and Bank Meetings in London	27
World Food Council Set up by FAO	28
B. Commercial Policy	29
1. International Trade Organization	29
Approval of Texts on Tariffs and Trade at Geneva	29
European Customs Union	30
British Proposal for Commonwealth Customs Union	32

C. Social Policy	33
1. International Social Co-operation	33
Social Commission of the Economic and Social Council	33
International Refugee Organization	34

III. POLITICAL PROBLEMS 35

A. Political Independence and Free Institutions	35
1. France	35
Status of "Directed Economy" Program	35
Assembly Vote of Confidence	37
De Gaulle Campaign	37
2. Italy	38
Instigation of Wave of Strikes	38
3. Greece	40
Discussion of Greek Case in the United Nations	40
Formation of New Government	44
United States Aid	45
4. States in the Soviet Orbit	45
Memorandum of Eastern European Exiles to General Assembly	45
a) Albania	46
Political Trials	46
b) Bulgaria	47
Execution of Nikola Petkov	47
c) Czechoslovakia	49
Alleged Conspiracies Against Government	49
d) Hungary	49
Appointment of New Coalition Government	49
e) Poland	51
Espionage Trials	51
5. Iran	51
United States Views on Soviet-Iranian Oil Negotiations	51
Status of Soviet-Iranian Oil Agreement	52
6. China	52
Developments Following Wedemeyer Visit	52
Status of Port of Dairen	55
7. South African-Indian Controversy	55
Action in the General Assembly	55
B. Treatment of Non-Self-Governing Peoples	56
1. India and Pakistan	56
Governmental Action in Communal Disorders	56
2. Burma	57
Establishment of Diplomatic Relations by United States	57
Approval of New Constitution	57
3. Indo-China	58
French Government Appeal	58
4. Indonesia	59
Status of Case	59

5. Palestine	61
Comments on Special Committee	61
Policy Statements by British and Arabs	62
Status of Illegal Refugees	64
6. South-West Africa	64
Proposed Trusteeship Agreement	64
7. Anglo-Egyptian Sudan	65
Discussion of Case by Security Council	65
C. Propagandist Activities	66
Soviet Charges Before the General Assembly	66
United States Protest on Soviet Press Attacks	67
IV. SECURITY PROBLEMS	69
A. Organization of a System of Collective Security	69
Opening of the Second Regular Session of the General Assembly	69
1. Modification of the Veto Provisions	71
Proposals Before the General Assembly	71
The Veto and Admission of New Members	73
2. Organization of an Interim Committee	74
Proposals Before the General Assembly	74
3. Organization of Forces Made Available to the Security Council	76
Soviet Estimate of Over-all Strength of UN Armed Forces	76
4. International Control of Atomic Energy	76
Proposed Functions for an International Agency	76
Soviet Policy on Atomic Energy Control	77
Second Report of Atomic Energy Commission	78
United States Announcement Concerning Radioisotopes	83
Lilienthal Views on Non-Military Uses of Atomic Energy	83
5. Regulation of Conventional Armaments	84
Activities of United Nations Working Committee	84
B. Regional Problems	85
1. Inter-American System	85
Inter-American Conference for the Maintenance of Continental Peace and Security	85
C. Other Aspects of United States Military Security	89
Armed Services Unification	89

1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	13
14	14
15	15
16	16
17	17
18	18
19	19
20	20
21	21
22	22
23	23
24	24
25	25
26	26
27	27
28	28
29	29
30	30
31	31
32	32
33	33
34	34
35	35
36	36
37	37
38	38
39	39
40	40
41	41
42	42
43	43
44	44
45	45
46	46
47	47
48	48
49	49
50	50
51	51
52	52
53	53
54	54
55	55
56	56
57	57
58	58
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60	60
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62	62
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67	67
68	68
69	69
70	70
71	71
72	72
73	73
74	74
75	75
76	76
77	77
78	78
79	79
80	80
81	81
82	82
83	83
84	84
85	85
86	86
87	87
88	88
89	89
90	90
91	91
92	92
93	93
94	94
95	95
96	96
97	97
98	98
99	99
100	100

I. PROBLEMS OF THE PEACE SETTLEMENT

President Truman again emphasized the over-all importance to the United States of an early conclusion of the peace settlements, in his statement on September 2 to the closing session of the Inter-American Conference for the Maintenance of Continental Peace and Security at Rio de Janeiro. The President said:

"The people of the United States engaged in the recent war in the deep faith that we were opening the way to a free world, and that out of the terrible suffering caused by the war something better would emerge than the world had known before.

"The postwar era, however, has brought us bitter disappointment and deep concern. ...

"No agreement has been reached among the Allies on the main outlines of a peace settlement. In consequence, we are obliged to contemplate a prolonged military occupation of enemy territories. This is profoundly distasteful to our people.

"Almost everywhere in Europe, economic recovery has lagged. Great urban and industrial areas have been left in a state of dependence on our economy, which is as painful to us as it is to them. Much of this economic distress is due to the paralysis of political fear and uncertainty in addition to the devastation caused by war.

"This situation has impeded the return to normal economic conditions everywhere in the world and has hampered seriously our efforts to develop useful forms of economic collaboration with our friends in other areas.

"We did not fully anticipate these developments. Our people did not conceive, when we were fighting the war, that we would be faced with a situation of this nature when hostilities ceased. Our planning for peace presupposed a community of nations sobered and brought together by frightful suffering and staggering losses, more than ever appreciative of the need for mutual tolerance and consideration, and dedicated to the task of peaceful reconstruction.

A. PEACE SETTLEMENT NEGOTIATIONS

1. Germany

Washington Conference on Coal Production in the Ruhr

British and American experts who had been meeting in Washington since August 12 to discuss means by which production of coal in the Ruhr could be increased issued their report on September 10. The recommendations for submission to the two governments covered management and control of the mines, methods for increasing food production, for increasing technical efficiency in the mines, and for improving the transportation system.

The aim was to increase coal output from the present figure of 240,000 tons a day to 300,000 tons by the end of 1947 and to 400,000 by the end of 1948 which, the conferees declared at a press conference, "is necessary if Germany is to play its role in European economic recovery."

On the question of management, the body of experts recommended the approval "in principle" of a provisional agreement recently arrived at by the British and American zone commanders. The main points of the agreement were:

"a. Responsibility for coal production would be transferred to German hands through the establishment of a German Coal Management responsible to the U.S./U.K. military governments for the efficient operation of the coal industry.

"b. There would be U.S./U.K. supervision of the German Coal Management through a U.S./U.K. control group, which would issue appropriate directives to the German Coal Management on behalf of the U.S./U.K. military government."

It was made clear that "the interests of non-German owners of coal mining property" would be safeguarded and that "the question of the ownership of the mines would not be affected." The management agreement was to be put into operation "as soon as the consultations on the provisional agreement now being conducted by the United States and United Kingdom Governments with the French, Belgian, Netherlands and Luxembourg Governments have been concluded." In the meantime, it was recommended that the composition of the North German Coal Control should be amended to include a number of United States officials, one of whom was to act as joint chairman, so that the control organization would become an Anglo-American body under the direction of the bipartite board.

Considerable emphasis was laid on the necessity of increasing food supplies, the conferees declaring:

"We are convinced that the most important single factor in increasing output is to improve the food position in the mining areas. It is the unanimous opinion of those responsible for coal production that the first essential step in this direction is to ensure that the present ration scale is regularly and punctually met. We therefore attach particular importance to the regular and punctual honoring of the full 1,550-calorie ration in the mining districts and generally throughout the whole of the bi-zonal area at the earliest opportunity....

"We emphasize that the attainment of the 1,800-calorie target throughout the bi-zonal area at the earliest opportunity should continue to be our next objective. Without progressive improvement in ration scales, it will not be possible to produce economic conditions within Germany which will enable the prewar production levels to be approached."

The experts declared it to be "imperative to ensure that the maximum available tonnage of indigenous foodstuffs [was] delivered up by

the farmers" and, to achieve this, recommended such measures as development of the inspection system, stricter enforcement of penalties, and allocation of agricultural supplies "to favor those farmers whose deliveries against collection quotas are most satisfactory."

The report noted "a considerable loss in coal output due to mechanical breakdown" and, in addition to endorsing "the recent decision taken by our two zone commanders to increase the allocation of steel for the mining industry," recommended importation of steel during the next six months for the mining and transport industries to a value of about twenty-five million dollars.

On the mechanization of the mines, the conference delegates concluded that conditions in the Ruhr coal field did not permit the immediate application of American mining methods but recommended "that consideration should be given at an early date to an expert engineering study of the Ruhr mines by representatives of the American coal industry."

Following certain recommendations on housing, the experts turned to the problem of miners' incentives. In this connection they declared: "We are of the opinion that the question of inducing workers in Germany to produce to their maximum capacity will not be fully solved until their efforts can be rewarded by payment in currency of more stable value with reasonable access to the goods of which they are in need." They expressed approval of the special privileges accorded to the miners, which "have undoubtedly led to a higher output," but they added: "We consider any further extension of them must be examined with the greatest care and in the light of the need to expand the remainder of German industry."

On the transportation problem, the report pointed out that an increase in coal production "will be of no avail if the transport capacity is not raised simultaneously," and, in view of the shortage of railroad equipment, "greater use of road and water transport" was recommended as "the only immediate short-term solution." Suggestions for solving this problem included "the highest practicable priority" to be given to the supply of steel for the repair of transport, negotiations with Czechoslovakia and Belgium for repair of rolling stock in Germany, and with the Low Countries for use of their ports, barges, and tugs.

It was further suggested that "if no general adjustment in the internal price structure is at present possible some immediate increase in coal prices should be given serious consideration."

The report concluded:

"It is recognized that breaking the bottleneck of coal production, which is necessary if Germany is to play its role in European economic recovery, is dependent on improved food supply and the development of the basic industries on which coal production depends, such as transportation, iron and steel, and electric power. It is therefore essential that the allocation of the limited resources available to Germany should take full account of this. There should be full realization of this need by Military Government and by German authorities at all levels. The latter should be invested with the

necessary authority and held responsible for ensuring that the requirements which can and must be satisfied from the German economy are duly met, as the financial resources available will severely limit imports.

"While recognizing the desirability of encouraging German responsibility for administration, we should insist that the German people and the German authorities adopt and implement all necessary measures of economy and self-help to achieve the program for increasing the availability of coal for Germany and for western Europe."

Protests Against Economic Recovery Program

Protests against Anglo-American plans for German recovery were received during the month from the Netherlands and Poland. The press reported on September 12 that the British Government had received a note from the Netherlands Government warning against the dangers of an overcentralized political administration and requesting that foreign interests in the coal mines and industrial plants should be safeguarded. The press stated that consultations were proceeding with the Dutch but pointed out that a clause had been inserted in the Washington Coal Conference agreement recommending protection of the interests of non-German owners of coal mining property. News sources revealed on the 26th that a similar note had been addressed to the United States Government.

A communication dated September 14 to the United States from the Polish Government protested the Anglo-American plan to raise the industrial level in Germany as "creating a threat to the security of Europe," as being "contradictory to the principle of priority for the reconstruction of countries devastated by German aggression, as well as to the principle not to exceed in Germany the average of the standards of living of European countries," and as representing "a unilateral attempt toward a revision of the program of reparations." The United States reply, made public on September 30, refuted these charges. After pointing out that there was "little prospect" of achieving the economic unity on which the March 1946 agreement on the level of industry had been based, thus making it "imperative that steps be taken in the United States and British zones with the object of relieving as soon as possible the tremendous financial burden on the two governments which their responsibilities in those deficit areas entailed" the reply continued:

"The adjusted level of industry plan undoubtedly will have some effect on the reparations program, and this consideration was carefully weighed before the plan was adopted. It is hoped and expected that this effect will in the long run be more than offset by the benefits derived from an earlier resumption of normal trade relations with Germany....

"As for the opinion expressed in your note to the effect that the adjustment of the level of industry in Germany will result in the creating of a threat to the security of Europe, I wish to call your attention to the fact that in the United States zone of Germany the occupying authorities have destroyed all first priority military installations. Of all military installations other than fortifications

and defense works, 91 percent have been destroyed, and 100 percent of naval and armored equipment have been likewise disposed of. As of May 1, 1947, of 105 industrial plants listed for demilitarization, 74 had been wholly dismantled, and 29 had been partially dismantled. Work on the remainder of these plants is progressing steadily.

"This record does not substantiate the Polish Government's allegation, as expressed in your note, that the decisions taken at London are not in accord with the principles which animated the allied nations 'in their endeavor to abolish German aggression and its sources.'

"In this connection, the Polish Government is undoubtedly aware that the United States Government has made repeated proposals for negotiation of a treaty with the United Kingdom, France and the USSR, which would guarantee the security of Europe against the revival of militarism in Germany for a period of 40 years....This proposal is indisputable evidence of the determination of the people and the Government of the United States that Germany shall never again be a dominant military power in Europe."

The note also pointed out that:

"In the communique of August 28, 1947, outlining the decisions reached in London, it was specifically stated that 'the measures about to be taken should not result in priority being given to the rehabilitation of Germany over that of the democratic countries of Europe' and that 'German resources should contribute to the general rehabilitation of Europe.'"

American determination to limit German industrial recovery was stressed by other high government officials. Charles E. Saltzman, Assistant Secretary of State for Occupied Areas, told a meeting of the International Council of Women in Philadelphia on September 11 that the recent level of industry decisions did not "mean or imply that the United States would condone development of industry in Germany to a point where it will be war potential or even a threat to peace." He observed, however, that "at the same time, we cannot deny Germans economic hope, and we must see to it that they have means to provide themselves with decent living, but at the same time, the standard of living that, as set forth in the Potsdam Agreement, is no higher than that of Europe as a whole." Willard L. Thorp, Assistant Secretary for Economic Affairs in the State Department, addressing the Coal Exporters' Association on September 25, declared: "I want to state, as emphatically as I know how, that the United States does not intend to promote the recovery of Germany at the expense of the rest of Europe. Exactly the contrary is true. We do see recovery in Germany as a necessary part of European recovery."

British determination to adhere to their policy of aiding in the economic recovery of Germany was expressed in London on September 24 by Lord Pakenham, Minister responsible for the British zones in Germany and Austria. He declared, according to news accounts, that the British had "no intention whatever of quitting Germany in any future under discussion"

and that they "mean every word [they] say to the German people about offering them hope." In conclusion, he stated: "The rest of Europe cannot prosper without them and they cannot prosper without the rest of Europe."

Proposed Review of Bi-Zonal Economic Fusion

The State and War Departments announced in a joint communique on September that, owing to "their great difficulty and continuing present dollar expenditure for the support of the economy of the combined United States-United Kingdom zone" of Germany, the British Government had requested review of the financial provisions of the bi-zonal economic fusion agreement of December 2, 1946, and that Anglo-American discussions of this question would take place in Washington early in October. The announcement stated that the Senate and House Appropriations Committees had been informed of the proposed talks with the British.

Prior to the release of this statement, it was disclosed that Senator Bridges had called a special meeting of the Senate Appropriations Committee for September 20, explaining to the committee members that "in the near future certain urgent and vital questions will arise concerning our Governmental and financial policies in occupied areas, particularly in Europe." Secretary of the Army Kenneth C. Royall, the press stated, told the Committee at its meeting on the 20th that he estimated that, even if the British should continue to bear their full share of the occupation costs in Germany, an additional \$265,000,000 above the original allocation for the current year of \$600,000,000 would be required to cover costs in all the occupation areas. Of this sum, \$137,000,000 was required for the bi-zonal area of Germany. Following the meeting, Senator Bridges was reported to have stated that he would insist on the United States having a greater share in the control of the bi-zonal area if the American occupation costs were increased. However, Senators from both parties, according to news sources, said that it was the policy of the United States Government to urge Britain to continue to bear an equal share of the costs.

Political Crisis in Bavaria

The coalition government in Bavaria came to an end on September 15 with the resignation of the four Social Democratic Ministers. The crisis was precipitated when the members of the state committee of the Social Democratic party voted to secede from the coalition in view of the anti-Socialist tendencies of the Christian Social Union. The main cause of dissension, as reported by the press, was the alleged failure of the Christian Social Union to implement agreements under the "action program" of the Social Democratic party, which aimed primarily at socialization of industry. Minister President Hans Ehard was said to have declared himself confident that, in spite of friction within his party, he would be able to form a new government, and on the 19th he nominated four Christian Social Union Ministers to fill the vacant posts. Ratification of these nominations on the 20th resulted in an exclusively Christian Social Union Cabinet, and in consequence, the press said, the Social Democrats planned to launch a campaign to obtain a million signatures to a petition to dissolve Parliament and hold a plebiscite to determine whether a new election should be held.

Land Reform in the Soviet Zone

Alexander Kabanov, head of the agriculture branch of the Soviet Military Administration, announced in Berlin on September 11 that the Soviet zone had completed its land reform program and that large estates comprising 6,691,300 acres had been divided up and distributed among 496,795 families. He declared that sufficient food existed in the Soviet zone to maintain the ration until the 1948 harvest, and he attributed this to greater production from the land following its redistribution and to better administration of controls in the Soviet zone than in the western zones.

Reduction of Rations in Anglo-American Zone

In a report issued on September 21, General Clay said that the exceptionally severe drought had resulted in a 22 per cent fall in hydro-electric output, reduced water levels so that only half the scheduled tonnage could be handled on the inland water transport system, and cut the probable crop harvest by 20 to 40 per cent; that, in consequence, it would be necessary to cut rations in the Anglo-American zone by more than a hundred calories a day.

2. Japan

Canberra Conference on Japanese Treaty

The Canberra Conference of British Commonwealth members on the problem of a peace settlement with Japan concluded on September 2 and news sources indicated that the chief result of their deliberations was to confirm their endorsement of the decisions reached at Potsdam. There was agreement among the delegates that:

1. A firm stand should be taken at the peace conference concerning reparations.
2. A supervisory commission composed of all the powers who had participated in the Pacific war should be established in Japan to implement the terms of the peace treaty.
3. Economic as well as political democracy should be established in Japan and the peace treaty should confirm the dissolution of the Zaibatsu.

The Conference officially declared its intention to seek to include Pakistan in the peace conference negotiations and on the supervisory commission, thus increasing the number of participating countries to twelve. In addition, the press emphasized that the general attitude of the delegates reflected a strong desire for the Soviet Union to participate in the treaty making.

Policy Decision on Reduction of Industrial War Potential

A policy decision approved by the Far Eastern Commission on August 14 but not made public until September 3 provided for the following

action to be taken during the occupation period, in order to reduce Japanese industrial war potential:

"a. All special-purpose industrial machinery and equipment functionally limited to use in connection with combat-equipment end products should be destroyed.

"b. All other industrial machinery and equipment in primary war industries and such other industrial facilities in secondary war industries and war-supporting industries as may be in excess of the peaceful needs of the Japanese Economy should be made available for claim as reparations.

"c. During the period of the occupation, a prohibition should be maintained against the re-establishment of primary war industries; and specified war-supporting industries should be limited to the productive capacity levels remaining after completion of the reduction program outlined above, except as modifications in these levels may be authorized by the Far Eastern Commission."

It was laid down that "the Supreme Commander should be authorized to except temporarily from the provisions...particular primary war facilities, secondary war facilities, and facilities in war-supporting industries, in so far as such facilities are required to meet the needs of the occupation."

The provisions of the policy decision were to apply "until an appropriate decision on this question by the Peace Conference."

Chinese Views on Rebuilding Japanese Economy

Chinese opposition to the American policy of rebuilding Japanese economy was expressed on two different occasions during the month in speeches by Premier Chang Chun and by the Minister of Economic Affairs, Chen Chi-tien. Speaking on September 9 at the fourth plenary session of the Kuomintang central executive committee, Premier Chang declared that China was opposed to the American policy of "fostering Japanese strength," and he indicated, according to press reports, that, while favoring friendly relations with Japan, China would demand that the peace treaty provide for full reparations and that it incorporate safeguards against the "revival of the Japanese Empire." Chen declared on the 16th that the Chinese wanted from Japan "iron and steel equipment, textile machinery, shipyard equipment and chemical manufacturing equipment," and he added: "We have no desire to oppress Japan, but we don't want to see her resume at the same level as before the war."

China's Foreign Minister, Dr. Wang Shih-chieh, told a press correspondent on September 18 that, with a view to breaking the United States-Soviet deadlock over the proposed Japanese peace treaty conference, he would put forward a proposal that decisions should be taken by a simple majority vote of the eleven participating powers, but that this majority should include the votes of the United States, the Soviet Union, China, and Great Britain.

At a press conference in Japan on September 27, Under Secretary of the Army William H. Draper urged the importance of an early peace settlement to the revival of Far Eastern economy. He said in part:

"Japan must promptly begin to stand on her own feet, revive her own economy and pay her own way. The signing of a peace treaty with Japan would represent the most important single step to encourage trade and commerce throughout the Pacific area. Then and only then will the Japanese people be able to accept the full responsibility for their own economy and for developing foreign trade."

While expressing the view that occupation policies had effected the "sound beginnings of a blueprint for the future," Draper declared that economic problems remained acute and that they must be solved by Japan itself, with a diminution in United States assistance, particularly in food imports, which he estimated might be reduced in 1948 from 18 million tons to 12 million.

Replying to a Japanese reporter at the same gathering who expressed the fear that, as a result of Japan's renunciation of the maintenance of an army, navy, or air force, "if a new war breaks out Japan may be involved and thus destroyed," Draper said that he "assumed" that "proper provision" for Japan's defense would be written into the peace treaty. He made it clear, however, that he was expressing his personal forecast.

Dissension in Allied Council

At the September 3 meeting of the Allied Council, the Soviet member, General Kislenko, again raised the issue of the refusal of the United States delegate a month earlier to provide the Council with data on Japan's foreign trade, charging that his refusal was "an obvious attempt to disrupt" the Council, and that the "rights of the members of the Council were being violated." In a sharp reply, William J. Sebald, the new American delegate, asserted:

"Throughout the life of this Council the Soviet member has misused this body. To accede to the Soviet member's request is merely to strengthen his hand to continue misusing this body. I have known of no occasion when the Soviet member has given any helpful or constructive advice.

"On the contrary, he has used this Council to further his ends of obstructionism. He has used this Council to support an ideology which is not wanted in Japan, and he has used this Council to criticize indirectly the Supreme Commander...."

The Chinese and British delegates were reported to have supported Sebald on this issue.

The dispute was continued at the Council's meeting on the 17th, Kislenko declaring that the Soviet members had "based all their activities on an exact realization of the Council's objectives as defined by the Moscow Conference" and charging that "misuse of the Council and obstructionism should be attributed, not to the Soviet member, but to those who

accuse him of it," while Sebald replied with a long rebuttal of Kislenko's attack, in which he described his remarks as containing a "certain distortion of the truth."

3. Austria

Austrian Treaty Commission

The dispute over the definition of German assets continued in the Austrian Treaty Commission at meetings held during September. As it became evident that agreement was impossible, the French put forward, on September 17, a proposal that a paper be presented to the Council of Foreign Ministers which would set out the status of the negotiations and provide a clear definition of the issues on which there was disagreement. The Soviet delegation regarded the differences between the representatives to be so extreme as to make consideration of this or any alternative draft unacceptable. David Ginsburg, the U.S. delegate, was reported to have said, on the other hand, that the United States was prepared to negotiate and compromise on all differences, and he asserted that "for the Soviet or any other delegation to reject the French draft and revert to the drafts considered and rejected in Moscow is to assert the complete failure of four months of hard work."

At its meeting on the 22nd, the Commission turned to a consideration of other points left unsettled at Moscow. The United States and France proposed adoption of Article 2 of the peace treaty, calling upon the signatory powers to

"oppose any action in any form whatever that may threaten the political or economic independence or territorial integrity of Austria, and in the event of such threat to consult with one another and with the appropriate organs of the United Nations with regard to appropriate action."

The Soviet delegate rejected the proposal on the ground that it was unnecessary, declaring that Article 1 of the treaty re-established Austrian independence while Articles 3 and 4 guaranteed Austria against another Anschluss; he asked what other threat there was to Austrian independence.

Novikov next proposed that Yugoslavia's territorial claims against Austria should be considered by the Commission, but the other three powers rejected this proposal, Ginsburg stating that the United States was not prepared to negotiate on any border changes, while France and Britain pointed out that the Yugoslav case had already been heard at great length.

On the 26th the press said, N. P. Koltomov, who had replaced Novikov, moved that Austria should be forbidden to import arms or munitions to equip the 58,000 troops allowed under the draft peace treaty--but should be required to manufacture them internally. The U.S. representative questioned why Austria should be deprived of a right granted to all former Axis satellite countries, declaring that this would be a direct infringement of its sovereignty. A Soviet proposal that Austria be prohibited from employing or training non-Austrians in military or civil aviation was also rejected on similar grounds.

In further support of Yugoslavia's claims against Austria, the Soviet delegate proposed on the 27th, the press reported, that Yugoslavia's request for reparations amounting to 150 million dollars should be given favorable consideration. When it was pointed out that the Soviet Union had subscribed to the secret protocol of the Potsdam Agreement providing that "reparations should not be exacted from Austria," they were said to have replied that they had agreed to forego reparations for themselves but not for others.

International Status

On September 17, the United Kingdom announced the termination of its state of war with Austria, thus permitting the resumption of "full commercial and financial dealings." A Foreign Office spokesman said that this was not to be considered as a "separate peace," as the British government still hoped that a four power peace treaty would be concluded. In a note to the Austrian government, the British were reported to have emphasized that the termination of the state of war was without prejudice to Britain's commitments under:

- 1) The Declaration of June 5, 1945 regarding the Surrender of the German Reich.
- 2) The agreement of June 28, 1946 relating to the Control Machinery for Austria.
- 3) The decision of questions the settlement of which must await conclusion of a peace treaty.

4. Korea

Proposed Four Power Conference

The U.S. State Department announced on September 5 that China had accepted officially, and Great Britain unofficially, the American invitation of August 28 to a four power conference to begin in Washington on September 8 on the question of Korean independence. However, the Soviet Union had already rejected the proposal in a letter to Secretary of State Marshall from Foreign Minister Molotov on the 4th, but not made public in Moscow until the 7th. Molotov declared in his letter that the "stagnation" in the Soviet-American Commission's work in Korea was because of a lack of "due desire" on the part of the American delegation "to render assistance in forming a truly democratic government in Korea," and he renewed his previous charges that democratic representatives in South Korea were "subjected to arrests and other reprisals incompatible with the principles of democracy..." He concluded that:

"The Soviet Government sees no possibility of accepting the proposals advanced in Mr. Lovett's note.

"The proposals of the United States concerning Korea can not but entail further separation in Korea since they provide for the creation of separate provisional legislative assemblies in southern and northern Korea."

Meanwhile, the U.S. delegation to the Soviet-American Commission was endeavoring to reach agreement with the Soviet delegation on a joint report to be submitted by September 5 for use during the proposed four-power conference. In a prepared statement issued on September 3, Major General Albert E. Brown, chief of the United States delegation, following proposals and counter-proposals designed to establish a provisional government, evaluated the situation in the following terms:

"Acceptance of the Soviet counter-proposals would create a consultative body from which would be excluded the representatives of twenty-four major Rightist groups in South Korea, with a declared membership in excess of 15,500,000. Should the American delegation be foolish enough to accept these counter-proposals it would change the normally substantial Rightist and moderate majority through North and South Korea to an overwhelming and unrealistic Leftist majority. It thus reverses the actual political situation....

"The Soviet delegation offers what is ostensibly a fair proposal--the creation of a legislative body, the elections for which would be conducted throughout all Korea on the basis of general, direct, equal suffrage by secret ballot. But closer study has indicated that the election would without doubt be conducted only after the Leftists had dominated the consultative body and after the Government created by it had organized and prepared Korea for the type of election recently conducted in North Korea, under which 99 per cent of the people, as the Soviet representatives said, 'willingly and voluntarily dropped their ballots into the white box'--an election typical of those being held in other Soviet satellite countries."

After a ten day struggle to produce a joint report delineating the issues, General Brown announced on the 8th that his efforts had failed, the Soviet delegation refusing to do more than agree that each delegation should inform its government that it had proved impossible to reach agreement on a joint report. General Brown charged that "the Soviet delegation wished to prepare a joint report which would obscure the basic disagreements regarding consultation," and that they had "attempted to remove from the United States statement of its position all factual statements which accurately portrayed the United States position and explained the essential points of difference between the American and Soviet positions."

In consequence of the Soviet rejection of the U.S. invitation, the State Department announced on September 8 that the four power conference on Korea had been postponed.

General Assembly Discussion

On the 17th, Acting Secretary Lovett sent a note to Foreign Minister Molotov informing him that the United States intended to refer the problem of Korea to the General Assembly of the United Nations. Pointing out that after two years of effort "to reach agreement with the Soviet Government to carry out the terms of the Moscow Agreement...Korea remains divided and her promised independence unrealized," Lovett declared:

"The United States Government believes that this situation must not be permitted to continue indefinitely. In view of the fact that bilateral negotiations have not advanced Korean independence and that the Soviet Government does not agree to discussions among the powers adhering to the Moscow Agreement, there is but one course remaining. It is the intention, therefore, of my Government to refer the problem of Korean independence to the forthcoming session of the General Assembly of the United Nations....

"It is the hope of my Government that consideration of this problem by the General Assembly may result in bringing about the early restoration of freedom and independence to the long suffering people of Korea.

"Copies of this letter have been furnished to the Governments of the United Kingdom and China."

The United States Government's intention to refer the Korean problem to the current session of the General Assembly was announced by Secretary of State Marshall in his address to the Assembly on the 17th. Following a brief review of the failure of United States efforts to obtain Soviet agreement on methods of fulfilling the four power pledges on Korea's independence, Marshall continued:

"It appears evident that further attempts to solve the Korean problem by means of bilateral negotiations will only serve to delay the establishment of an independent, united Korea.

"It is therefore the intention of the United States Government to present the problem of Korean independence to this session of the General Assembly. Although we shall be prepared to submit suggestions as to how the early attainment of Korean independence might be effected, we believe that this is a matter which now requires the impartial judgment of the other members. We do not wish to have the inability of two powers to reach agreement delay any further the urgent and rightful claims of the Korean people to independence."

In speaking before the Assembly on the following day, Soviet deputy Minister for Foreign Affairs Vishinsky rejected Marshall's proposal as being "a direct violation of the Moscow Agreement on Korea," declaring:

"The U.S.A. and U.S.S.R. undertook according to this Agreement to prepare a joint solution of the problem of the unification of Korea into one independent democratic state. The new proposal made by Mr. Marshall is a violation of the obligations assumed upon itself by the United States of America and for this reason is not the right one or acceptable....The Soviet Government...will insist that the proposal made by Mr. Marshall should be rejected..."

By a vote of 41 to 6, with 7 abstentions, the General Assembly voted on September 23 to place the Korean question on its agenda. The negative votes were cast by members of the Soviet bloc, while those abstaining included several members of the Arab League.

Soviet Proposal for Withdrawal of Troops

On the 26th, the Soviet Union proposed the simultaneous withdrawal of American and Soviet troops from Korea at the beginning of 1948. The proposal was made by General Shtikov, head of the Soviet delegation to the Joint Commission on Korea, at a meeting which he had been requesting General Brown to call since the 22nd, the day before the Korean question was placed on the United Nations General Assembly agenda. Following the meeting, the Soviet delegate released a statement to the press in which he declared that:

"...Korean independence can be achieved only when the Soviet and the United States troops withdraw.

"The Soviet delegation believes we may give the Koreans an opportunity to form themselves a government with the help and assistance of the Allies under the condition of the withdrawal of American and Soviet troops from Korea. The Soviet delegation declares that if the American delegation agrees with the proposal regarding the withdrawal of all foreign troops at the beginning of 1948 then the Soviet troops will be ready to leave Korea simultaneously with the American troops."

B. IMPLEMENTATION OF PEACE TREATIES

Entry into Force of Peace Treaties

On September 15 the Italian, Bulgarian, Rumanian, Hungarian, and Finnish Peace Treaties entered into force.

Representatives of the governments of the United States, the United Kingdom, the Soviet Union, and France signed on the 15th at the French Foreign Office in Paris a statement indicating that the ratified Italian Treaty had been deposited in the French Foreign Ministry archives. On the same day, in Moscow, the instruments of ratification of the Bulgarian, Rumanian, Hungarian, and Finnish Peace Treaties were deposited in the Soviet Foreign Office, after signature of these instruments by representatives of the Soviet Union, the United States, and the United Kingdom--the only signatories necessary. The United States representative did not certify the Finnish Treaty as America had not been at war with Finland.

A week later an official spokesman of the United Kingdom Foreign Office warned Rumania and Bulgaria that the ratification of the peace treaties was not to be considered a condonation of their "undemocratic" behavior, but rather that diplomatic representatives assigned to ex-enemy capitals were charged by the treaties with certain enforcement functions. He asserted that opinion in London did "not consider the Governments of Rumania and Bulgaria to be truly representative of the political feelings or traditions of the peoples of these countries."

In speaking of Hungary, the spokesman affirmed that "serious concern [was] felt in the United Kingdom and [had] been expressed by the Ministers at the disproportionate influence of the small Communist party

in Hungarian public life and particularly in the police force," and he expressed the hope that "the lesson of events in Rumania and Bulgaria would not be lost upon the Hungarian people."

1. The Italian Treaty

a) Trieste

Protests Concerning Actions in Trieste

On September 24, the Department of State released the text of the United States' answer of September 23 to a Yugoslav note of the 22nd listing "numerous alleged instances of misconduct by United States military forces during their withdrawal from territory ceded to Yugoslavia under the Treaty of Peace with Italy." The reply affirmed that "these charges have been determined upon investigation to be wholly without foundation in fact and are rejected by the Government of the United States as unworthy of comment."

Acting Secretary of State Lovett, at a news conference on the same day, told of a protest by the U.S. to the Yugoslav government against ultimatums to local allied military commanders demanding alteration in the agreed line between the British-United States zone of the Free Territory of Trieste and Yugoslavia. He said in part:

"On September 22, the United States protested to the Yugoslav Government through the American Embassy in Belgrade against irresponsible Yugoslav actions in presenting ultimatums to local Allied military representatives demanding alterations in the provisional boundary between the British-United States zone of the Free Territory of Trieste and Yugoslavia. In presenting the protest, U.S. Ambassador Cavendish Cannon requested the Yugoslav Government to issue immediate instructions to end this practice, which the United States Government considers exceedingly dangerous and likely to precipitate incidents leading to meet serious consequences.

"Ambassador Cannon expressed the U.S. view that matters in dispute between local military posts must be resolved through normal civilized procedures, and requested that orders be issued immediately to ensure that such additional matters of local dispute as may arise will hereafter be referred to the appropriate Yugoslav commander for resolution through discussion with General Airey....(United Kingdom commander of the U.S.-U.K. Zone of the Free Territory of Trieste)"

General Strike in Trieste

The Trieste radio, as reported in the press of September 23, disclosed that a general strike had been called by the local labor federation, an action said by the British-American Military Government to be "the first Communist attempt to hamper the essential life of Trieste and bring discredit" to the new Free Territory. The announcement of the Military Government also promised that it would take "all steps necessary to ensure that every man and woman wishing to work would be given the fullest protection,"

adding: "It is obvious that agreement is being prevented by certain outside elements who for their own selfish political reasons are attempting to spread the strike."

The Allied Military Government stated, however, on the 24th that the general strike affecting 12,000 workers had ended at midnight, and that an agreement had been reached at a conference between Military Government officials, leaders of the Communist-dominated Sindicati Uniti (the group calling the strike) and leaders of the more moderate, non-Communist Camera del Lavoro who had been unwilling to participate in the affair. The agreement, according to the announcement, provided that the Allies would "provisionally" release nine Sindicati Uniti members who had been arrested on the 24th charged with molesting workers who refused to join the strikers.

b) Possible Revision

Proposals Before the General Assembly

The decision to place the question on the agenda was reached by a vote of 4 to 2 with 8 abstentions--the adverse votes being cast by the Soviet and Polish delegates.

Hardly had the Peace Treaties entered into force when the question of their revision was raised. Argentina suggested to the General Committee of the General Assembly that there be placed on the Assembly's agenda a proposal recommending that Italy be permitted to present new evidence which might lessen the obligations imposed by the peace treaty. The General Committee made the recommendation on September 22 that debate on changes in the Italian Peace Treaty, as suggested by Argentina, be placed on the agenda of the Assembly. Soviet representative Gromyko declared that any such discussion would be a violation of Article 107 of the Charter, which specified that nothing in the Charter "shall invalidate or preclude action" taken regarding an ex-enemy state. He inquired as to the origin of the "tender feelings" of a number of countries for the Italian people that had become increasingly apparent in the last few weeks. Gromyko recalled that Italian fascist troops had fought against the Soviet and inflicted great damage, and said that his Government considered the Peace Treaty with Italy "perfectly just."

Presenting the United States point of view, U.S. representative Herschel V. Johnson told the Committee that his country would welcome discussion of the Italian peace treaty, and would especially welcome a resolution that would encourage the signatories to consider a modification of the more burdensome portions of the treaty, pointing out that the United States had accepted certain terms only because it had seemed apparent that was the only way to get any treaty at all.

II. ECONOMIC AND SOCIAL PROBLEMS

President Truman took the occasion again to set forth the broad American policy of economic assistance to foreign countries in his statement on September 2 to the closing session of the Inter-American Conference for the Maintenance of Continental Peace and Security at Rio de Janeiro. The President said in part:

"We intend to do our best to provide economic help to those who are prepared to help themselves and each other. But our resources are not unlimited. We must apply them where they can serve most effectively to bring production, freedom and confidence back to the world. We undertook to do this on an individual basis in the case of Greece and Turkey, where we were confronted with specific problems of limited scope and of peculiar urgency. But it was evident, at the time that decision was made early this year, that this precedent could not be applied generally to the problems of other European countries. The demands elsewhere were of far greater dimensions. It was equally clear that the peoples of Europe would have to get together and work out a solution of their common economic problems. In this way they would be able to make the most of their own resources and of such help as they might receive from others."

After referring to the work of the European Committee of Economic Co-operation, which was then about ready to present its report, the President declared:

"Unquestionably it is in the interest of our country ... that we should receive this appeal with sympathy and good will, prepared to do everything we can, within safe limits, that will be helpful and effective."

A. RECONSTRUCTION AND DEVELOPMENT

1. The Marshall Plan

Report of Committee of European Economic Co-operation

Following American criticism, voiced at the close of August and early in September, of the estimates of Europe's deficit submitted by the Paris Committee of European Economic Co-operation, a re-examination was made of the report and it was announced that a revised draft was informally approved by U. S. Under Secretary Clayton on September 16. Subsequently, the final report of the Committee was adopted on the 19th, and signed by representatives of the sixteen participating nations on the 22nd. Extracts from the official summary of the report follow:

"The report is designed primarily as a close and careful analysis of the maladjustments which have resulted from the war and as an examination of what the participating countries can do for themselves and for each other to work towards a lasting solution...."

"The purpose of the report is to formulate an economic recovery program for the participating countries which is aimed at putting Europe on its feet by the end of 1951. This recovery program is based upon four lines of action:

"1. A strong production effort by each of the participating countries'.

"2. The creation of internal financial stability.

"3. The maximum cooperation between the participating countries.

"4. A solution of the problem of the participating countries trading deficit with the American continent, particularly by exports....

"The recovery program is designed to achieve the following total results by 1951:

"1. Restoration of pre-war bread, grain, and other cereal production, with large increases above pre-war in sugar and potatoes, some increases in oils and fats, and as fast an expansion in livestock products as supplies of feeding stuffs will allow.

"2. Increase of coal output to 584 million tons, -i.e., 145 million tons above the 1947 level (an increase of one-third) and 30 million tons above the 1938 level.

"3. Expansion of electricity output by nearly 70 billion KWH or 40 percent above 1947 and a growth of generating capacity by 25 million KWH or two-thirds above pre-war.

"4. Development of oil refining capacity in terms of crude oil throughout by 17 million tons to two and one-half times the pre-war level.

"5. Increase of crude steel production by 80 percent above 1947 to a level of 55 million tons or 10 million tons (20 percent) above 1938.

"6. Expansion of inland transport facilities to carry a 25 percent greater load in 1951 than in 1938.

"7. Restoration of pre-war merchant fleets of the participating countries by 1951.

"8. Supply from European production of most of the capital equipment needed for these expansions.

"The various countries have undertaken to use all their efforts to develop their national production in order to achieve

these targets. Of particular importance are the French and Italian grain production programs which aim at recovering pre-war levels by 1951 and the United Kingdom coal production program which is designed to exceed the pre-war level by 1951. ...

"The creation of internal financial stability in certain countries is a necessary condition for the accomplishment of their production programs and undertakings have been given by the countries concerned to apply all necessary measures to lead to the rapid achievement of this stability. The quick success of stabilization will, to a very large extent, depend on adequate foreign assistance being available during the period when stabilization is being achieved. ... From such estimates as can be made the amount likely to be required would be of the order of \$3,000 million.

"The maximum use will be made by the participating countries of their own raw material resources, manpower, and productive capacity. This process will be stimulated by measures to be taken to secure progressive relaxation of import restrictions, to improve payment arrangements between the various countries and to transfer surplus labor. ...

"Arrangements have been made for continuing the work of mutual help and consultation begun in Paris both through the United Nations machinery and in other ways. ...

"The report shows that even after taking full account of the supplies which they can produce for themselves, and which they can hope to obtain from the rest of the world, the participating countries will require large quantities of food, fuel, raw materials and capital equipment from the American continent. Without this flow of goods the whole recovery program will be in jeopardy. The requirements stated take account of the supplies likely to be available. They do not represent extravagant importing. Food consumption at the end of the period will be less than the pre-war level and the estimates are framed on the basis that gasoline rationing and in many countries restrictions on consumption of food, clothing, and gasoline (for non-essential purposes) will continue to be necessary. ...

"Estimated imports from the American continent include equipment as well as commodities such as food and coal. If imports of equipment, other than agricultural machinery and coal mining machinery to which special considerations apply, were financed by loans from the International Bank or by other credit operations, the deficit remaining to be dealt with could be reduced [from 22.44 to 19.33 billion dollars]. ...

"The need for an intense effort to expand exports from the participating countries to the rest of the world is recognized... as essential to help reduce the deficit over the four-year period.

"...While the first element of the recovery program must be to increase European production, it will be impossible to right the problem unless market conditions in the American continent allow both Europe and other parts of the world to sell goods there in increasing quantities. ..."

By 1951, the authors of the report calculated that the balance of payments deficit of the sixteen participating nations and western Germany with the American continent would decrease from 8.035 billion dollars to 3.4 billion, while, instead of a deficit of .24 billion with the other non-participating countries, there would be a surplus of 1.8 billion. They pointed out, however, that these "tentative estimates" were based on a number of assumptions, including the following:

"...That production will increase greatly, that the imports required for this will be available, that a state of full employment and full use of productive resources will be continuously maintained, that an increasing part of the needs of the participating countries and Western Germany can be obtained from Eastern Europe and from South-East Asia, that the goods which the participating countries can produce for export can be sold to the American continent and to the rest of the world, that there will be a progressive reduction in the price of imports in relation to the price of exports, and that non-participating countries will so far as necessary be able to pay for such goods in dollars."

In conclusion, the report declared:

"These proposals are reinforced by definite and specific undertakings by each of the countries concerned. But these undertakings can be successfully carried out only with the assurance of a continued flow of goods from the American continent; if that flow should cease, the result would be calamitous. Europe's dollar resources are running low. One country after another is already being forced by lack of dollars to cut down vital imports of food and raw materials from the American continent. If nothing is done a catastrophe will develop as stocks become exhausted. If too little is done, and if it is done too late, it will be impossible to provide the momentum needed to get the program under way. ..."

"In the last analysis the external means of recovery can in largest measure only come from the United States. ... [The] program [of the participating countries] is based upon the fullest use of their existing productive capacity. In drawing it up they have sought to reduce their needs from the American Continent to the minimum consistent with their achievement. ..."

Official American reaction to the report followed immediately upon its issuance. Acting Secretary of State Lovett told a press conference on September 24 that the Administration was "fully mobilized to study the report," and gave an account of steps which were being taken towards speeding its analysis. He said:

"A steering committee, chairmaned by a representative of the State Department including representatives of the President and of the Secretaries of Treasury, Commerce, Interior, Army and Navy and other interested agencies is advising me as to the assignment of various segments of the task and is performing overall coordination. ...

"The National Advisory Council of which the Secretary of the Treasury is the Chairman is analyzing those portions of the report which are primarily financial or fiscal in character. The Executive Committee on Economic Foreign Policy, of which the Secretary of State is Chairman, is considering the broad economic policy questions raised by the report. The section of the report dealing with food is being referred to the sub-committee of the President's Cabinet Committee on World Food Problems of which the Secretary of Agriculture is Chairman. Those sections of the report dealing with requirements other than food have been assigned to working groups chairmaned in many cases by officials of the Department of Commerce which is responsible under existing legislation for the control of exports from the United States. The work of these various groups will be closely coordinated with the work of the Harriman, Krug, and Nourse Committees, and the results of the work, as it proceeds, will be available to the interested Committees of the Congress to the extent those Committees desire. ...

"We are inviting some of the participants of the Paris Conference to come over to this country early in October to give us further information on the make-up of their report. ..."

On the following day (25th) President Truman issued a statement on the report of the Paris Conference, which he said "reflects an unprecedented effort at economic co-operation" and was based on "sound principles" which would "appeal to the common sense of the American people." Regarding the studies of the report which were being conducted, he said:

"On the basis of these studies, which will go forward without delay, the facts will be presented and recommendations will be formulated so that the American people through their representatives in Congress can determine to what extent and in what manner the resources of the United States may be brought to the support of the renewed European efforts to achieve sustained economic recovery."

Interim American Aid to Europe

Even before the Paris Committee of European Economic Co-operation completed its report, it had become evident to the United States Government that the situation in Europe was deteriorating so rapidly that some form of interim aid would have to be provided before action could be taken by Congress on the Marshall Plan.

Within the United Kingdom, Minister of Food John Strachey in a speech delivered in Dundee, Scotland (September 1), revealed that his

Government had, for the time being, stopped all purchases of food from the United States. He warned that the only way in which England could again purchase American goods would be for that country "to buy more things from Britain," and added that these drastic English import cuts were a consequence of the high U. S. tariff. Strachey pointed out that for his country to purchase from the United States it "must earn dollars and the only way we can earn dollars is to export to the United States. ... Unfortunately America does not buy very much from abroad over her high tariff system. That is why we shall have to limit our purchases in the United States very strictly indeed."

On United States credit Strachey commented:

"...grateful as we have been...and as we may be for any assistance under the Marshall plan or any other plan which may or may not materialize, such loans and assistance can at best be only stop gaps and we must not for one moment rely on them. ..."

On the 2nd, Sir Stafford Cripps, then President of the United Kingdom Board of Trade, made even clearer the pronouncements by the Food Minister when he told an 18-member foreign aid committee of the House of Representatives that the U. S. could not continue with an annual export surplus of \$10,000,000,000. He said the United Kingdom was not asking for a loan, but that without substantial aid from the United States under the Marshall Plan or in some other form, the British people would be subjected to serious privation. He pointed out, however, that the Labor government had built up British exports to 110 per cent of the prewar level, and that 175 per cent was the target at which they were aiming.

Another suggestion was made by British Foreign Secretary Bevin in a speech on September 3 at Southport, England, when he asked the United States to "redistribute" its gold stored at Fort Knox, Kentucky. He pointed out:

"I know that America will be upset at what I am about to say, but I have always got to upset somebody. My own conviction is that she handicaps herself, causes high taxation in her own country, by a failure to redistribute the gold in Fort Knox.

"If you found another gold mine in the world which would assist you, it would be a very great advantage. There is a mine where it has already been mined, and it is one of the readiest ways to assist in increasing the purchasing power of the devastated areas of the world."

A spokesman for the British Foreign Office and Treasury in London was reported to have indicated that neither agency had advance knowledge of this suggestion and neither was able to explain what method of gold distribution Bevin had in mind or how such a scheme could be of permanent value to the United Kingdom. Officials in Washington were equally baffled by the proposal. Acting Secretary of State Lovett had "no comment," while Treasury Secretary Snyder declared that United States gold was "purely a matter for consideration" by that country.

However, at a press conference on September 3, Acting Secretary of State Lovett did say that reports from observers and United States missions abroad indicated that the European situation was becoming increasingly urgent, and intimated that in his view it might be necessary to take action before the end of the year. He said he did not think a special session of Congress would be necessary but suggested that some advances might be made by the International Bank or by the Export-Import Bank. But, the Vice President of the International Bank, Robert L. Garner, said at a press conference on the 9th that:

"It is a mistake to think the Bank can be a stop-gap in the situation. One of the most urgent requirements is food, and we cannot finance food or other consumer goods. I am not sure the Bank can meet interim needs. ..."

The next day U. S. Secretary of State Marshall declared that, while the long-term problem remained unchanged, some form of interim aid to European countries was urgently required. He summed up the situation, stating in part:

"We see the requirements of these countries as falling into two phases of one program; first, some form of interim assistance to meet the immediate threat of intolerable hunger and cold; and second, the general program for rehabilitation of the respective economies.

"The nature of the long-term problem of European reconstruction and our attitude toward it remain unchanged. But the short-term problem has become more immediate. Bad droughts, following an unusually severe winter, increasing crop shortages, and restrictive financial measures which certain European governments have already been obliged to take, have had serious repercussions. ...

"We expect that, by the latter part of October, we will have available working papers on the basis of which the appropriate Congressional committees could undertake consideration of means to supplement European supplies of food and fuel for the coming winter where it can be shown that every effort has been made locally to meet the critical needs. The majority of the Congressional committees visiting Europe will have returned by that time. We hope that shortly thereafter the complete data for the European Recovery Program can be screened and made available in order that the problem may be faced in its entirety and that any action taken to meet immediate needs may be correlated into the general program."

However, when asked whether he thought a special session of Congress would be required to consider the question of interim aid, Marshall replied that he was "open-minded" but did not think it was possible to obtain the necessary authority without it.

Meanwhile, American proposals for aid to Europe continued to be subject to Soviet attacks. In a speech delivered before the United

Nations General Assembly in New York on September 18, Soviet Deputy Minister for Foreign Affairs Vyshinsky declared that "The plans of Truman and Marshall are not compatible with the principles of the United Nations Organization," and charged:

"The experience of the past few months has proved that... the United States Government openly gave up the principles of international cooperation and concerted action of the great powers, and passed to attempts to dictate its will to other independent nations, utilizing at the same time the economic means allotted as relief for individual countries in need for open political pressure. ... This policy is in deep contradiction to the principle proclaimed by the General Assembly in its resolution of December 11, 1946, that assistance to other countries 'should never be used as a political weapon.'

"The 'Marshall Plan' is in fact, as it is perfectly clear now, only another version of the 'Truman Doctrine' adjusted to the conditions of postwar Europe. The United States Government... apparently expected, with the cooperation of the British and French Governments, to make the European countries that are in need of relief face the necessity of giving up their inalienable rights to dispose of their own economic resources, to plan their own national economy as they see fit, just as the United States expected to make all those countries directly dependent on the interests of American monopolies. ...

"At the same time this 'Plan' is an attempt to break Europe into two camps and to complete, with the assistance of the United Kingdom and France, the formation of a bloc of a number of European countries, hostile to the interests of the democratic states of Eastern Europe, and first of all, to the interests of the Soviet Union. ... At the same time, it is intended to use Western Germany and German heavy industry (the Ruhr) as one of the principal economic bases for United States expansion in Europe, in spite of the national interests of the countries which have been victims of German aggression. ..."

A week later, in a statement on September 25, President Truman made public a report by the Cabinet Food Committee. The report stressed the need for "an all-out drive for domestic conservation," and said in part:

"It is now generally known that the world food shortage is even worse than it was a year ago. ...

"As a result ... the gap between available exports and minimum needs of the exporting countries is estimated at about 15 per cent--or 4.5 million tons--in terms of grain alone. ...

"The situation in the deficit areas points up the direct obligation that rests upon the United States, along with all other exporting countries, to do everything possible to make

up the inevitable shortages. ... We must send every pound of food that it is practical to ship to these countries of greatest need. There can be no disagreement on this basic purpose.

"Our plans to carry out this purpose have been complicated by crop developments in North America during recent weeks. Deterioration in United States corn crop prospects has reduced the estimated supply of corn for the year ahead to a total about 700,000,000 bushels below last year. The total supply of the four principal grains will be down about a billion bushels. ...

"These facts call for careful appraisal. The need to ship large supplies abroad is unquestionably great. Also important is the need to protect our own economy and price structure. In this situation, it is imperative that a balance be struck which will call for shipment of the last food calorie which can be provided without undermining the nation's strength and effectiveness. ...

"In view of this serious situation, additional steps should be taken to increase the availability of food supplies for export and the efficiency of their use. A definite responsibility rests on the deficit countries to make the most effective possible use of their indigenous production by strengthening their collection and distribution systems, and by spreading carefully all available supplies over the full twelve-months period of the marketing year. ...

"Immediate consideration must be given to the conservation of our grain supplies, through a voluntary campaign to economize domestic use--particularly of those livestock products whose production requires large amounts of grain. Recommendations for any legislative action which might be necessary to maximize the availability of United States grain for export should also be considered."

On the same day President Truman announced the appointment of a 26-member Citizens' Food Committee, under the chairmanship of Charles Luckman, "to meet at the earliest possible moment to develop plans for bringing the vital problem of food conservation to the attention of every American for action." The President pointed out that:

"Certain problems have arisen in connection with the economic situation in Europe that are of such an urgent nature that their solution cannot await the careful study required for the over-all decisions which will be based on the problems. ... Action must be taken by the United States to aid in preserving the stability and promoting the recovery of the nations which participated in the Paris Conference."

In line with this statement, President Truman called a meeting of Congressional leaders at the White House on September 29. Secretary of State Marshall and Under Secretary Lovett, as well as Secretary of

Commerce Harriman and Secretary of Agriculture Anderson, attended the gathering, while among the Congressional leaders present were Senators Vandenberg and Connally and Representative Charles Eaton. At a press conference which followed, the President said that France, Italy, and Austria would need 580 million dollars between now and March 31 if they were to avoid starvation, and indicated that the sums at present available would not meet their minimum requirements until December 1. He stated also:

"I have conferred at length with the Congressional leaders with reference to the critical economic situation which exists in western Europe. I am writing to the chairmen of the Senate Committee on Foreign Relations, the House Committee on Foreign Affairs, the Senate Committee on Appropriations and the House Committee on Appropriations requesting that they call their committees together to consider the urgent need for aid to western Europe. ...

"The question of the calling of a special session of the Congress was discussed at length with the Congressional leaders. Whatever decision may be reached on this subject at a later date, it was the opinion of all that the committees should begin to consider the present emergency at the earliest possible date that the members are available. ...

"The prospect of a general recovery program for western Europe, aided by the United States, has raised their hopes for eventual recovery and has strengthened democratic forces. But if this recovery program is to have a chance of success, means must be found for aiding France and Italy to survive this critical winter as free and independent nations.

"...Assistance this winter, in sums much larger than the Executive Branch can provide with funds now at its disposal, is essential. That assistance can only come from Congress.

"The early convening of the Congressional Committees referred to is a necessary first step in meeting the problems that now confront us."

In accordance with the President's request, Senator Vandenberg and Congressman Eaton called the Senate Foreign Relations Committee and the House Foreign Affairs Committee to Washington for a joint session on November 10. Those members of the House who were abroad on Congressional investigations were asked to cut their trips short if necessary. Senator Vandenberg issued a statement in which he declared that "the immediate question is one of elemental human survival in a free society."

Further emphasis to the awareness of the European situation was reflected in a change in the British Cabinet on the same day (29th). Sir Stafford Cripps was appointed British Minister for Economic Affairs without portfolio. The announcement of the change said that although in the past domestic and overseas economic policies in the United Kingdom had been

handled separately, the "present economic situation calls for a much closer integration of internal and external economic policy," and added that the "Prime Minister now needs the assistance of a senior colleague who can give his undivided attention to our economic problems at home and abroad." Cripps in taking charge of the formulation of British economic policy, including problems of production as well as imports and exports, was replaced in his former position as President of the Board of Trade by Harold Wilson, who had been Secretary for Overseas Trade. A new ministerial committee on economic planning was to be set up to cover "major issues of both internal and external policy," with Prime Minister Attlee as chairman, "in view of the gravity of the present economic situation." However, it was said that, subject only to the authority of the Prime Minister, Cripps would be supreme in the broad field of coordination of domestic and foreign economic policy.

Fund and Bank Meetings in London

While the Paris Committee of European Economic Co-operation was completing its work and plans for interim American aid were developing, the annual meetings of the International Monetary Fund and Bank were held in London from September 11 to 17. These sessions were under the chairmanship of the British Chancellor of the Exchequer, Hugh Dalton, who opened the discussions with the observation that:

"Requirements of recovery today are not limited to rebuilding of individual productive facilities. They include rehabilitation and reconstruction of entire national economies. [Events have overrun all calculations, but] I feel sure you will wish to consider all the possible ways [in] which the Bank and the Fund can make contributions towards solving the urgent problems confronting all nations even those fortunate nations over whose countries no bombs fell. [They] are indissolubly bound parties in common interest to battered lands of Europe and Asia."

In pointing out, however, that while the records of the Bank and Fund for their first operational year were encouraging, Dalton quoted the phrase of President of the Bank, John J. McCloy who had said: "The world cannot endure half skyscraper and half rubble."

At the September 12th session, Bank President McCloy presented the annual report of the Bank, in the course of which he underscored the following points:

1. The year 1947 was termed one of building up of policy framework and the beginning of operations, in the course of which effort was made to emphasize those projects that offered most hope of increased productive output in the shortest time possible.
2. Continuing emphasis to be maintained on the requirement that Bank loans be productive and related to well-planned reconstruction projects.
3. The Marshall Plan was not to be viewed as a substitute for loans by the Bank to participating countries.

On the 12th, the Managing Director of the Fund, Camille Gutt, outlined to the meeting the second annual report of his organization. He emphasized that:

1. Reconstruction required efforts along the lines described by Secretary of State Marshall, and the most rapid solution of the German economic problem.
2. The most important task was to maintain the value of currency in which workers and traders were paid or, in other words, internal currency stabilization and the limitation of expenditure for consumption and investment.
3. Internal financial reforms could be more easily achieved now than later.
4. After international financial and monetary reforms have been secured, countries needed to find means of payment in world trade, to finally bring prices and exchange rates of countries into competitive positions in the world markets.

The importance of the Paris economic cooperation talks were emphasized as a step toward the integration of the European economy, and a vital factor in a stable world economy. Gutt added that the Fund was prepared to cooperate with all countries and all international organizations to accomplish these ends.

At a press conference, held in London on the 17th by Camille Gutt, Hugh Dalton, and John J. McCloy, Gutt disclosed that the Monetary Fund had made provision to grant \$60,000,000 to the United Kingdom in exchange for sterling. At the same time McCloy spoke of the possibility of Bank assistance to subsidize the development of industry in the Ruhr, with special reference to the output of coal, and suggested the creation of a special agency for the administration of a loan for such a purpose with the membership of such an agency being comprised of occupying nations also members of the Bank.

World Food Council Set up by FAO

The third plenary session of the Food and Agriculture Organization ended in Geneva on September 11. The chief accomplishment of the meeting was the establishment of a World Food Council, an 18-nation organ elected for a three-year term by the conference. Among the countries initially elected were France, Great Britain, and the United States. Chief functions of the Council will be to act between conferences within the lines of policy laid down by the annual FAO sessions, taking over the supervision of administration and policy formerly under the executive committee; to offer advice on emergency measures, especially concerning the import and export of food and agricultural production materials and the recommendation of emergency allocations now made by the International Emergency Food Council; and to maintain a constant review of the world food and agriculture situation and of developments in existing and proposed international commodity arrangements.

The plenary session also stressed "the importance of promoting agricultural and industrial expansion concurrently, especially in less developed countries." To attain this goal, it was pointed out that there was a need for effective over-all co-ordination of the work of the United Nations agencies and that the Economic and Social Council should give further consideration to this matter.

B. COMMERCIAL POLICY

1. International Trade Organization

Approval of Texts on Tariffs and Trade at Geneva

On September 24 the Trade Conference meeting in Geneva unanimously adopted the texts of three documents; the Multilateral Trade Agreement, officially called "A General Agreement on Tariffs and Trade"; "The Final Act," and "A Protocol of Provisional Application."

The General Agreement, open for signature by any government that had signed the "Final Act," was divided into three parts. Part I contained a general most-favored-nation treatment clause, and set up schedules and tariff concessions obligating countries having negotiated concessions to observe and maintain them. In Part II were clauses restating certain principles and provisions of chapters 3 and 4 of the ITO charter, and clauses of provisional application until the adoption of the charter, including 20 articles on commercial policy—covering such subjects as national treatment on internal taxation, import-export formalities, exceptions to the rule of non-discrimination, emergency action on certain imports, the escape clause, and certain other provisions. Part III concerned itself with matters not adapted from the ITO charter, including exceptions to the general clauses for frontier traffic and for countries forming customs unions, and certain other provisions.

The Final Act was described as the authentication of the texts of the General Agreement and the Protocol of the Provisional Application, the signatories to which would be those states that had participated in the Tariff Agreements Committee and were concerned with the tariff negotiations in Geneva. The Members of the Tariff Agreement Committee comprised Australia, Belgium, Luxembourg, Brazil, Burma, Canada, Ceylon, Chile, China, Cuba, Czechoslovakia, France, India, Lebanon, the Netherlands, New Zealand, Norway, Pakistan, Southern Rhodesia, Syria, Union of South Africa, the United Kingdom, and the United States. The date for the signing of the Final Act was expected to be set when the outcome of the negotiations outstanding in Geneva became more certain.

The Protocol of Provisional Application was set forth as the equivalent of a firm undertaking to give provisional application to the General Agreement—with Australia, Belgium, Luxembourg, Canada, France, the Netherlands, the United Kingdom, and the United States named in the protocol, the protocol to be open for signature by these governments until November 15 of 1947 and for other countries signing the Final Act until June 30, 1948. Countries signatory to the protocol were to be permitted to withdraw their applications with 60 days' notice.

Although the General Agreement was adopted, negotiations on tariff reductions continued throughout the month. By the 24th, new tariff agreements had been settled upon between the United States and Cuba, China, and Benelux (Belgium, the Netherlands, Luxembourg). These three sets of agreements were said by news sources to cover more trade than all the 70 earlier ones resulting from the Geneva tariff negotiations, although no information was made public as to the detailed provisions of these settlements.

Under Secretary of State Clayton who had headed the United States delegation to the Preparatory Committee of the ITO Conference, which completed during August in Geneva a draft charter to be submitted to the world trade conference in Havana in November, replied to earlier critics of the charter in a broadcast from Paris (September 10). Terming the accomplishments of the Geneva conference a "landmark in the history of international economic relations," he continued in part:

"...When the United States made its first proposals for a charter setting up an international trade organization, it faced a world in which the normal patterns of trade had been disrupted by the war. ...In such a situation we might have decided to postpone our proposals until things got back to normal, but we knew if we did so that nations might set up a whole series of new restrictions that the world might never succeed in breaking down; so we went ahead, and I think that the results already achieved at Geneva have demonstrated that we chose the wiser course.

"The question is often asked whether the present financial difficulties of some of the countries in Europe and the plans they are drawing up in response to the proposal made by Secretary Marshall do not mean that our trade program has lost its importance for the time being. The answer is emphatically no. The plans now being drawn up relate to the emergency needs of one part of the world. The trade program has to do with the long-run needs of the whole world. The two are interdependent. ...Both are part of a common policy. If we cannot ease the burdens of Europe in this emergency, our chances of reducing the barriers to trade will not be good. But the reverse...is just as true. If we cannot reduce the barriers to world trade and thus make possible a great expansion in the production, distribution, and consumption of goods throughout the world, there is little hope that any aid we may extend under the Marshall proposal will accomplish its purpose or be more than a stopgap measure..."

European Customs Union

General approval, expressed during meetings of the Paris Committee of European Economic Co-operation in August, of the proposal to set up study groups to consider the possibility of establishing a European Customs Union was confirmed in the report of the Economic Co-operation Committee--which pointed out:

"A number of Governments represented on the Committee of Cooperation made on 12th September the following declaration:-

'During the course of the discussions of the Committee of Cooperation in Paris, it has been agreed that every available means should be found of promoting a stable and healthy economy in Europe within the framework of expanding world trade. As a contribution to the attainment of this objective the possibility of forming a Customs Union or Unions in accordance with the principles of the draft Charter for the proposed International Trade Organisation has been raised, and it has been recognised that decisions to form such Unions cannot be taken without preliminary study.

'The Governments of Austria, Belgium, Denmark, France, Greece, Ireland, Iceland, Italy, Luxemburg, the Netherlands, Portugal, the United Kingdom and Turkey have accordingly decided to create a Study Group for the purpose of examining the problems involved and the steps to be taken, in the formation of a Customs Union or Customs Unions between any or all of those Governments and any other Governments invited to participate in the work of the Study Group. The Governments of Belgium, Luxemburg and the Netherlands have agreed to act as sponsoring powers. ...

'The Study Group will seek to establish appropriate relationships with the Interim Tariff Committee to be set up under the General Agreement on Tariffs and Trade, and with the International Trade Organisation as soon as it is established.'"

While noting the advantages of a European Customs Union, the report pointed out that it could not be regarded as a solution of the problem of the European balance of payments, which is "a world problem and cannot be solved without the closest possible economic association with countries outside Europe from which the participating countries derive the bulk of their essential imports." Moreover, the report continued,

"...A Customs Union, particularly between several large and highly industrial countries, involves complex technical negotiations and adjustments which can only be achieved by progressive stages over a period of years. ...

"Nevertheless, the idea of a Customs Union including as many European countries as possible is one which contains important possibilities for the economic future of Europe and it is in the general interest that the problems involved should receive careful and detailed study by Governments."

In addition the report listed the following steps which had been taken by groups of two or more of the participating countries toward the ultimate elimination of tariff boundaries.

1. The approval of a Customs Convention by the parliaments of Belgium, Luxemburg, and the Netherlands, to enter into force by January 1, 1948 and to be followed by the conclusion of an economic union.
2. The announcement by Denmark, Iceland, Norway, and Sweden of their intention to take steps to examine the possibility of the elimination of customs frontiers between the four countries.
3. The declaration of the French government that "it is ready to enter into negotiations with all European Governments... who wish to enter a Customs Union with France and whose national economies are capable of being combined with the French economy in such a way as to make a viable unit."
4. Association of the Italian government with the declaration of the French government.
5. Establishment of a Franco-Italian study group to report to the two governments before January 1, 1948 as to how a Customs Union between the two governments could be achieved.
6. Announcement by Greece and Turkey on September 19 of their intention to study the creation of a Greco-Turkish Customs Union.

The British Foreign Office announced on September 13 that the following countries had been invited to participate in the work of the Study Group to be set up to discuss the possibility of establishing a European Customs Union: Albania, Bulgaria, Byelo-Russia, Czechoslovakia, Finland, Hungary, Norway, Poland, Rumania, Sweden, Switzerland, Trieste (via the United Nations Secretariat), Ukraine, the Soviet Union, and Yugoslavia. The Foreign Office statement added: "The countries of the British Commonwealth are being consulted as to which of them would wish to receive invitations."

British Proposal for Commonwealth Customs Union

Although the United Kingdom had agreed to participate in the European Customs Union Study Group, it had been made clear at Paris that the British position would be complicated by Britain's ties with the Commonwealth. Foreign Secretary Bevin emphasized this fact in an address before the Trades Union Congress on September 3, when he put forward a proposal for a Commonwealth Customs Union. He observed that, while a European Union would be of very great assistance, it would not solve the problems of the United Kingdom, since seventy-five per cent of British trade was outside Europe altogether, adding:

"...I speak very seriously, purely on my own responsibility and not for the Cabinet, because they have not come to a decision. But I feel I must ventilate it. In the course of the study of these problems arising out of the Paris Conference and

the balance of payments in the world and the necessity of colonial development, I feel that a second study must be inaugurated, and I hope our Commonwealth, and certainly the Empire, will agree as to the possibility of a Customs Union for the British Commonwealth and Empire.

"I do not think we can avoid any longer common defence and acceptance of certain common economic principles if we are to avoid constant recurring crises. We have within this Commonwealth both the primary products and resources which have been badly neglected. I feel these two studies must go with vigour, but at the same time synchronize. ..."

Commenting on Bevin's proposal on the 17th, Sir Stafford Cripps, President of the Board of Trade, said:

"This might have many advantages, but it is an accomplishment fraught with difficulties, and it must take us time to explore its possibilities. That exploration is being undertaken now; but in the meantime we cannot completely alter our special economic relationship with the rest of the Commonwealth and Empire, which might in itself prove to be a step in the direction of a closer customs union."

It was reported that a decision had been reached to hold discussions on a Commonwealth Customs Union in November, when the Dominion Prime Ministers were expected to be in London for the royal wedding.

C. SOCIAL POLICY

1. International Social Co-operation

Social Commission of the Economic and Social Council

The Social Commission held its second session from August 28 to September 13 at Lake Success, with representatives of 17 countries participating. An interim program of work to be undertaken by the Secretariat in the child welfare field was drafted with the understanding that the priorities suggested would be subject to modification on the basis of future recommendations on child welfare submitted by an advisory committee on planning and co-ordination, established during the session.

The Commission also accepted a general survey of questions covering the child welfare field drafted by the League of Nations in 1937, and recommended the continuation of the legislative series on child welfare, which had been a regular publication of the League, and the continuation of the summary of annual reports submitted by the various governments. Regarding advisory social welfare services the Commission recommended that functions relating to welfare be continued during 1948, with a program based on reports by recipient countries and upon appraisal of the value of the services. It was also recommended that the Secretariat initiate studies on the special needs of underdeveloped areas and territories and report with respect to these problems.

International Refugee Organization

A report to the United Nations from the Preparatory Commission of the International Refugee Organization meeting in Geneva, made public on September 2, announced plans for the resettlement of 80,000 refugees and displaced persons in the course of the next three months. This number included 11,000 to South America, 4,000 to Canada, and 2,500 to North Africa. The completion of agreements with Brazil, Venezuela, Peru, Ecuador, Chile, Colombia, and Bolivia to take 38,000 European refugees were also disclosed. The report further told of plans to:

1. Repatriate 36,000 displaced persons in the next three months, largely Poles of whom about 24,000 were in Germany, 6,000 in the Middle East, 3,000 in China, and 3,000 in Italy and Austria.
2. Recruit workers in Germany under IRO, probably to the number of 50,000 including families--of which the Netherlands was said to be willing to take about 8,000 and others to go to Belgium.

Later word from Geneva on September 18 indicated that the Preparatory Commission, because of the threat of a substantial operating deficit for the current fiscal year, had agreed upon temporary changes in resettlement policies--limiting IRO financial contributions for resettlement mostly to displaced persons now receiving care and maintenance assistance. Certain exceptions to this decision were listed under three special categories:

"(1) Those unlikely to be accepted under mass resettlement schemes because of age, infirmity or other causes, provided that 50 per cent of the total cost of movement is paid by individual friends or relatives and provided the movement overseas is carried out on an IRO chartered vessel.

"(2) Cases of exceptional hardship or humanitarian cases with or without outside contribution following Headquarters approval.

"(3) Persons nominated under special 'close relative' plans, such as the Canadian plan, provided that the movement overseas be made on an IRO chartered vessel."

III. POLITICAL PROBLEMS

The general policy of the United States in the field of political problems was again made clear by President Truman, in his speech on September 2 to the closing session of the Inter-American Conference for the Maintenance of Continental Peace and Security at Rio de Janeiro. First, he noted that:

"We find that a number of nations are still subjected to a type of foreign domination which we fought to overcome. Many of the remaining peoples of Europe and Asia live under the shadow of armed aggression."

Later in his speech the President declared that:

"The fundamental basis of the policy of the United States is the desire for permanent world peace.

"We are determined that, in the company of our friends, we shall achieve that peace.

"We are determined because of the belief of our people in the principle that there are basic human rights which all men everywhere should enjoy. Men can enjoy these rights--the right of life itself and the right to share fully in the bounties of modern civilization--only when the threat of war has been ended forever. ...

"We know that in the hearts of common people everywhere there is a deep longing for stability and for settled conditions in which men can attain personal security and a decent livelihood for themselves and their children. We know that there are aspirations for a better and a finer life which are common to all humanity. We know--and the world knows--that these aspirations have never been promoted by policies of aggression."

A. POLITICAL INDEPENDENCE AND FREE INSTITUTIONS

1. France

Status of "Directed Economy" Program

In the face of opposition from the Communist members of the National Assembly as well as from the so-called de Gaullists, the Ramadier government during September found itself in the position of defending its general policies and especially its program for a "directed economy." On the 1st of the month the Communists launched an unexpected attack on the economic program of the government. Jacques Duclos, Communist leader, insisted upon immediate discussion by the Assembly of a "purely technical" measure necessary to accomplish the transfer of funds of the Bank of France. He maintained:

"This problem is not purely technical. It challenges all our political economy. The figures cited are terribly eloquent. We must check up on all our foreign purchases since liberation."

In discussing governmental policy in financial and industrial matters in the light of the difficult conditions existent in France, Duclos declared:

"In these conditions, it is necessary that the Government arrange its economic policies in a manner that will not require it to demand new transfers of gold and also in a manner calculated to keep us informed about our foreign commerce."

On the 13th, the Communist Party central committee called for a popular front coalition of the leftist political groups to defeat de Gaulle's Reunion du Peuple Francais in the Paris elections scheduled for October. The central committee also attacked Ramadier at this time by passing a resolution, charging his government with "practicing de Gaulle's politics without de Gaulle," accusing him of "encouraging the insolence of men of the de Gaulle rally," and of "furnishing an action springboard to those who love personal power, to provocateurs and to fomenters of disorder." As the difficulties including food shortages and strikes mounted Government officials were said to have expressed the hope that: "...the disorders would not get out of hand before France's representatives negotiating for United States economic assistance could obtain assurances of such aid. ..."

The views of the Government on handling the problems of social and economic unrest were expressed in an official statement on September 18. In a discussion of methods of balancing the budget, it was asserted:

"In order to combat inflation and stabilize its monetary policy as much as possible, the French Government will make no further appeals to the Bank of France. This decision will be accompanied by drastic economies and a fiscal and administrative reorganization designed to balance the ordinary and extraordinary budgets.

"So that the country may face the winter on a sounder financial basis the Premier has made certain special agencies responsible for deciding emergency austerity measures. Among the first of these are:

"(a) A 40 per cent reduction in gasoline consumption (circulation of vehicles of more than 15 horsepower is forbidden; gasoline not to be issued to private motorists for travel by car).

"(b) Reorganization of food marketing from the standpoint of production, distribution and price.

"(c) Strict control by special police of the black market and the movement of foreign exchange in and out of France.

"(d) Creation of a committee for financial reorganization to include the Premier, the Ministers of National Economy and Finance, the author of the Modernization Plan for France (Jean Monnet) and the Governor of the Bank of France."

Assembly Vote of Confidence

The Assembly on the 5th gave Ramadier a vote of confidence when it passed a 4,550,000,000 franc subsidy bill designed to keep down the price of coal. However, this vote, the fifth received by the Ramadier Cabinet, was called "disappointing" inasmuch as it was the smallest expression of confidence received by the government (292 for, 254 against, with 54 abstentions). There was an unconfirmed report that after this vote Ramadier offered his resignation to President Vincent Auriol, who was said to have refused to accept it holding the view that it would be contrary to the constitution unless a clear vote of the Assembly indicated that it wished the government to resign.

De Gaulle Campaign

On the 20th, General Charles de Gaulle opened the campaign of his Reunion du Peuple Francais with a speech delivered in Paris, in which the problems facing France were further highlighted. Speaking in support of the principal plank in his platform--revision of the new French constitution to increase the power of the executive branch--he said:

"How do you expect that authority can be exercised in the French Union with firmness, continuity and the necessary impartiality, when it is subject unceasingly in its actions--and also in the person of its representatives--to every bid, to all demands and fluctuations that are in themselves characteristic of the regime?"

De Gaulle admitted, however, that the greatest issues France was encountering were not of her making:

"If Europe is almost completely disrupted to its very foundations, if the Eastern bloc is being formed, if the United States has permitted grave errors in its policies regarding the Old Continent, if the world is overhung with menacing clouds, it is not here with us that the principal responsibility can be found."

At the close of the month U.S. Secretary of the Treasury, John W. Snyder, returned to the United States after consultations with the Ramadier cabinet in Paris, while French Foreign Minister Georges Bidault commenced talks in Washington on French economic problems and their relationship to the Marshall Plan.

2. Italy

Instigation of Wave of Strikes

During the month of September attention in the political and economic spheres focussed largely on the efforts of the leftist political parties in Italy, especially the Communists under the leadership of Palmiro Togliatti, to discredit the de Gasperi government. A series of strikes broke out across the country, these having been called chiefly for economic reasons. However, a number, such as those protesting against the acquittal of alleged Fascist criminals by Italian courts, were of a political nature with Communists in the forefront of the strikers.

Togliatti, in a speech delivered in Modena on September 7, threatened Premier de Gasperi with force and called his government "the slave of speculators and capitalists." He affirmed:

"We have 30,000 well-armed partisans at our disposal, and if the Government doesn't give us prompt proof of its democratic spirit we shall have to fight, because only by fighting can we obtain any positive results."

Following Togliatti's speech announcement was made on the 8th of a strike of about 1,000,000 agricultural laborers in the Po Valley region. This endangered the vital rice crop and was called the "opening gun of the Communists' 'autumn offensive', by which they hope to overthrow...de Gasperi's government." By the 10th this strike had extended itself to the Venetian provinces, but reports from that region indicated that the strike order had been received with only moderate enthusiasm in view of the strength of the Christian Democratic party in Venetia. The effects of the disturbances were said to be felt in northern Italy by the 19th, where food rations were cut because of lessening supplies of farm products. Word also came from Milan that unrest there had spread among industrial workers, whose leaders had determined to petition the General Confederation of Labor to give them the opportunity of staging a strike in sympathy with the agriculturalists.

Conversations with agricultural workers, however, proceeded satisfactorily by the 12th under government auspices. The landowners, reversing their earlier attitude, agreed to negotiate before the strike was called off, and the workers relaxed forty-five of their original fifty demands, insisting only on: (1) absorption of unemployed workers in improvement work on large estates; (2) increases in wages; (3) regulations on dismissals; (4) consideration of hours of work and overtime pay; and (5) cost-of-living and family bonuses.

On the 13th, a two-day general strike of steel workers, numbering about 800,000, was called. This was looked upon as having considerable political significance because the steel workers were regarded by the extreme left-wing parties as the "motorized divisions of the Communist revolution." Other strikes going on simultaneously were among public employees, railroad and streetcar workers, and printers.

Two speeches were delivered by Togliatti in mid-September; one in Rome on the 14th before a crowd of 100,000, presumed to be Communists, who shouted "Death to Truman"; and the other at Monza, in which Togliatti asserted that the Soviet Union had more to offer Italy than had the United States, and asking for strict censorship so that "deceiving of the people" would be prevented. He denounced U.S. press reports that his party was preparing to use force in the seizure of the government, stating:

"I have to emphasize that we do not have arms, and should these weapons really exist it may be the United States had distributed them, not to the workers, but to the Fascists. ...

"According to an American Navy admiral the United States wants a fleet in the Mediterranean. And from the United States we hear voices inciting the American people to fight again for world leadership. This is one of the reasons for the unrest and the bitterness among all peoples."

He said further that whereas Soviet leaders "look for peaceful cooperation among peoples, ...capitalists, industrialists, bankers and reactionaries in Italy and abroad fight for a United States dictatorship in the world."

The following day the U.S. State Department issued a statement in which it was declared that the Department did not see how the United States could dominate Italy by helping her; it was pointed out also that the growing wave of strikes, serving only political ends, was handicapping American efforts to assist Italy economically. It added:

"It is not clear how Togliatti thinks we can dominate Italy by helping her. We had thought that by helping Italy back on her feet and giving her renewed strength we would avoid the possibility of the Italian people's being dominated by anybody. ...

"As regards the strikes, there is the greatest sympathy in this country for the Italian workers in their efforts to raise their standard of living. On the other hand, widespread interruption of production which is intended to serve political ends only, will inevitably render more difficult any effort to help Italy help herself."

It was reported on the 16th that the Communist secretary general of the Italian Labor Confederation, Giuseppe di Vittorio, had replied to the State Department pronouncement by saying that the Communists were not planning a revolution and had no responsibility for the calling of the strikes:

"I deny...[the] deductions most categorically. They are devoid of any truth or basis. Behind the present labor agitations there is nothing but Italian workers with their hunger and their will to work."

By the 19th the steel workers had returned to their jobs, and negotiations in the agricultural laborers' dispute had progressed sufficiently so that most of the workers had gone back to their duties.

Debate on the leftist Socialists' motion of no-confidence in the government, scheduled to open on September 23, was postponed until the 25th. On the same day the government, in an effort to fight rising prices, issued a decree providing prison sentences for persons convicted of selling goods above ceiling prices. The debate on the no-confidence motion was finally opened on the 26th with Togliatti active in his fight against de Gasperi. The next day Giuseppe Saragat, the right-wing Socialist leader, told the Assembly that he would be willing to consider an understanding between de Gasperi and his party. By this action Saragat widened the breach between his party and the extreme left. At the close of the month debate was continuing on the motion—at a time when general strikes had tied up several of the larger cities.

3. Greece

Discussion of Greek Case in the United Nations

The first move to take the dispute between Greece and her three northern neighbors from the Security Council to the General Assembly was made by the United States on September 11 in a letter to Council President Andrei Gromyko. It was requested that the case be placed on the agenda of the next meeting of the Council (scheduled for the 15th) "in order that steps may be taken in accordance with Article 12 of the Charter, to enable the General Assembly to make recommendations with regard to that dispute."

With the convening of the Security Council, the U.S. delegate introduced a resolution requesting "the General Assembly to consider the dispute between Greece on the one hand, and Albania, Yugoslavia and Bulgaria on the other, and to make any recommendations with regard to that dispute which it deems appropriate under the circumstances." The aim of the resolution was to find a way for the United Nations to exert its influence effectively to bring about an improvement in the Balkans. However, the Assembly was not free to exercise its functions under the Charter unless so requested by the Council. The observation was made that in a spirit of co-operation and in deference to a co-ordinated organ, it would be appropriate for the Council to welcome the possibility of giving the Assembly an opportunity to act in the Greek question; that in this way the Council could contribute to a successful solution of the problem without losing jurisdiction, and the Subsidiary Group in Greece could still exert a certain stabilizing influence pending a decision from the Assembly.

The Soviet representative opposed the resolution, declaring that all the U.S. proposals would only have complicated the question, and that the present resolution followed the same policy of attempting to impose a decision which would accuse innocent countries and whitewash the Greek Government. He labeled the proposal "very crude diplomacy" and said he could not agree to a removal of the Greek question from the Council's agenda; that to do so would be a confession of inability to solve the question and an evasion of the duty to solve a matter which was within the competence of the Council as the organ chiefly responsible for the maintenance of international peace and security.

In lengthy debate on the resolution, the United States position was supported by Australia, Syria, and France, while the representatives

of Poland, Yugoslavia, and Bulgaria spoke in opposition. When Soviet representative Gromyko, as presiding officer, announced that he would put the U.S. resolution to a vote and that he would consider it a substantive motion, the ruling was challenged by the American representative. This precipitated another debate on the parliamentary aspect. When a vote was taken as to whether the resolution was a procedural or substantive motion, eight members stated it to be procedural, Poland and the USSR deemed it substantive, and Syria abstained. Gromyko quoted from the agreement made at San Francisco by the great powers concerning voting procedure in the Security Council that: "...the decision regarding the preliminary question as to whether or not such a matter is procedural must be taken by a vote of 7 members of the Security Council, including the concurring votes of the permanent members." The Soviet veto, thus invoked against the motion, required that a vote on the resolution be taken by a "veto" vote.

The United States resolution, when put to a vote, received 9 affirmative and 2 negative votes--those of the Soviet Union and Poland. Gromyko declared that as President of the Council and also as USSR representative he considered that the resolution required the concurring votes of all permanent members for adoption; and as one permanent member had voted against it, the resolution was defeated. He added: "...The Council may consider my statement the ruling of the chair."

A substitute U.S. resolution providing that the Greek question "be taken off the list of matters of which the Council is seized" was next introduced. It was pointed out that this would entail the ending of the Subcommittee, but that it was imperative to free the hands of the Assembly to take action. This resolution was adopted by a vote of 9 to 2, with Poland and the USSR opposed. The Greek case was, therefore, added to the agenda of the General Assembly.

U.S. Secretary of State Marshall, addressing the Assembly on September 17, took cognizance of the situation in his comments on the system of voting in the Security Council. He mentioned "having joined with other permanent members at San Francisco in a statement of general attitude toward the question of permanent member unanimity," but remarked, "we were always fully aware that the successful operation of the rule of unanimity would require the exercise of restraint by the permanent members." Speaking more specifically of the Greek case, he said:

"A supreme effort is required from us all if we are to succeed in breaking through the vicious circles of deepening political and economic crisis. That is why the United States has placed on the agenda of this Assembly the question of threats to the political independence and territorial integrity of Greece.

"The history of the Greek case in the United Nations is well known to this Assembly. You are aware that the Security Council, last December, adopted a resolution establishing an investigating commission to inquire into the situation along the northern frontier of Greece and report the facts to the Security Council. You know that that commission and its subsidiary group, by large majorities, have attributed the disturbances principally to the illegal assistance and support furnished by Yugoslavia, Albania, and Bulgaria to guerrilla forces

fighting against the Greek Government. The extent or effectiveness of such assistance to the Greek guerrillas is not the point at issue here. It is a universally accepted principle of international law that for one nation to arm or otherwise assist rebellious forces against another government is a hostile and aggressive act. Not only has this principle been upheld in a number of famous cases in international law, but it has also found expression in international agreements. The majority of the members of the Security Council have recorded their support of this principle by their action in this case. One permanent member of the Security Council, however, has three times vetoed the efforts of the Council to deal with the situation.

"This Assembly cannot stand by as a mere spectator while a member of the United Nations is endangered by attacks from abroad. If the United Nations should fail to protect the integrity of one small state, the security of all small states would be placed in jeopardy. The inability of the Security Council to take effective action in this case passes a grave responsibility to the General Assembly....

"The United States delegation will therefore submit to the Assembly a resolution which will contain a finding of responsibility; call upon Albania, Bulgaria, and Yugoslavia to cease and desist from rendering further assistance or support to guerrillas in Greece; establish a commission to assist in the implementation of these recommendations and to investigate the facts with regard to compliance therewith; and make other appropriate recommendations to the states concerned."

When the Assembly's General Committee (Steering Committee) took up the subject of the agenda on the same day (17th), the Soviet Union moved unsuccessfully to delete the Greek question. The next day Soviet Deputy Foreign Minister Andrei Vyshinsky, in his Assembly speech referred to the Greek case, saying:

"The Soviet delegation...feels necessary to immediately dwell upon the question raised by Mr. Marshall...i.e. question of independence and territorial integrity of Greece....

"The charges made by the American delegation against Yugoslavia, Bulgaria and Albania are utterly arbitrary and without any proof. These charges go much further than the conclusions of the majority of the commission which were not supported by almost 50 per cent of the members of the commission and which do not stand any criticism if one is to take any serious approach to the data on which the conclusions are based.

"It will not be difficult to prove that the report of the majority of the commission on the so-called Greek question is full of contradictions and gross exaggerations which deprive those conclusions of any importance whatsoever."

The General Assembly's Political and Security Committee began consideration of the Balkan issue on September 25, when a U.S. resolution

on the subject was introduced. The resolution included the following provisions:

That Albania, Bulgaria, and Yugoslavia were found to be guilty of the charge of assisting the guerrillas fighting against the Greek Government.

That those three countries cease and desist from rendering any further support to the guerrillas.

That Greece and her three northern neighbors undertake peaceful negotiations for establishing normal diplomatic relations, for establishing frontier conventions, and for solving their refugee problem.

Establishment of a special committee to observe compliance of the four governments with these recommendations and to assist them in their implementation.

Authorization of the special committee to recommend a special session of the General Assembly "as a matter of urgency" if this seemed necessary for the maintenance of peace and security.

On the 27th the Soviet Union offered a resolution which blamed the Greek leaders for the clashes in the Balkans and laid the situation to the struggle between the Greek people and "anti-democratic forces grouped around the present Greek Government." Foreign interference was also charged in the resolution, which next proposed that the United Nations ask Greece to "take measures to stop the frontier incidents" and that the Assembly recommend to the four Balkan countries that they normalize diplomatic relations, set up frontier conventions, and settle the refugee question. Greece was to be ordered to cease discrimination against her Albanian and Macedonian minorities, and foreign troops and military personnel were to be withdrawn from the country. In conclusion, the resolution proposed to set up a special commission "to guarantee by appropriate supervision the utilization of foreign economic aid solely in the interests of the Greek people."

The Committee session on September 29 opened with a statement read by Greek Deputy Prime Minister Constantin Tsaldaris, calling the Greek question only one phase of a much larger question involving the useful life of the United Nations, and pointing out that those who defended Albania, Bulgaria, and Yugoslavia had not tried to deny that they were giving aid to armed bands seeking to overthrow his Government. He declared the attacks on the United States and Britain to be "entirely unwarranted," stating their aid had been given solely at the request of Greece.

Following a statement by the French representative in support of General Assembly intervention, and a United Kingdom expression of desire for "speedy action" to protect the Greek people, U.S. delegate Johnson took the floor to answer the charge of American interference in Greek affairs. He promised that "every detail of uses of the money" supplied by the United States would be made available to the Political and Security Committee and to the General Assembly. He criticized what he called "persistent and

gross calumnies" against his country, saying he could see no reason why the Greek people "should be made to suffer because the Soviet Union is not able to impose its economy on that country."

Formation of New Government

Despite the formation of a Cabinet in late August by Premier Constantin Tsaldaris, the governmental crisis continued during September. On the 3rd Tsaldaris agreed to yield the Premiership to Themistocles Sophoulis, Liberal leader, and to become Deputy Premier. After several days of consultation on the distribution of Cabinet posts between the parties and on a joint policy for the parties, a coalition government of 13 Populists and 11 Liberals was sworn in on the 7th, with Sophoulis as Premier, Tsaldaris as Deputy Premier and Foreign Minister, and the disputed Ministries of War and Public Order respectively filled by a Populist and a Liberal.

In a statement of policy to Parliament on the following day, the new Premier declared the devotion of Greece to the United Nations and expressed the "certainty that, through its intervention, an end will be put to the external plot against Greece," after which he said Greece would be prepared for peaceful co-operation with her northern neighbors. He promised to make every effort to use effectively the aid extended by the United States and Britain and to mobilize Greek resources for reconstruction. Other measures promised were stabilization of currency, regulation of imports, control of production and prices, suppression of profiteering, promotion of exports, and taxation reform to shift the burden to the rich. As had been previously expected, Sophoulis also announced an amnesty, to be supervised and guaranteed by an international committee, for guerrillas who "lay down their arms as soon as possible and return to a peaceful life." Those who responded were promised protection of "life, property and democratic political liberties." The Government would "cast full and absolute oblivion on the past" if the rebellion ended, he declared, but if it continued, his Government would "with deep sorrow rally the whole nation and crush the rebellion, as well as those adhering to it or supporting it, in the most relentless way."

U.S. Secretary of State Marshall, at a press conference on September 10, expressed his views on the new Greek Government, stating:

"I am gratified that recent negotiations among Greek leaders have resulted in a government based on a coalition between two historic Greek parties, the one representing the largest single Parliamentary group and the other the party which has hitherto led the Parliamentary opposition. A government of national unity at this time demonstrates the desire of loyal Greek political parties to subordinate partisan differences and to work together in accord for the welfare of the Greek nation. I hope that this agreement foreshadows a happy future of co-operation and confidence among the Greek people in facing their serious national problems."

On the 13th the Greek Parliament adopted a bill giving unconditional amnesty to guerrillas surrendering within 30 days. Copies of the

measure were broadcast in leaflet form by planes flying over guerrilla-held areas in the northern part of the country. By the end of the month, however, this appeared to have had no effect toward inducing surrenders.

United States Aid

In the meantime the American program of aid to Greece and Turkey was attacked by Soviet Deputy Foreign Minister Andrei Vyshinsky in his speech to the United Nations General Assembly on September 18, wherein he stated:

"The so-called Truman's doctrine and 'Marshall plan' are particularly striking instances of the violation of the United Nations organization principles and of ignoring the organization.

"The experience of the few past months has proved that declaration of this doctrine meant that the U.S.A. Government openly gave up the principles of international cooperation and concerted actions of the great powers and passed to the attempts to dictate its will to other independent nations, utilizing at the same time the economic means, allotted as a relief for individual countries in need, for an open political pressure.

"This has been sufficiently illustrated by the measures undertaken by the U.S.A. Government in Greece and Turkey outside of the framework of the United Nations organization and in evasion of it..."

The new Greek Premier, Themistocles Sophoulis, announced on the 20th that "the Government's request for increased military help for a provisional and permanent increase in the size of the Army has been favorably considered and approved by the American Government, with immediate effect." Sophoulis said he had been informed of the action by Dwight P. Griswold, director of the United States aid program, who indicated that the increase in the size of the army would result in a curtailment of reconstruction. Three days later the deputy chief of the U.S. mission said that the military appropriation for Greece under the program would be increased by \$9,000,000 to provide for an additional 20,000 troops.

4. States in the Soviet Orbit

Memorandum of Eastern European Exiles to General Assembly

A group of exiled former Eastern European officials representing Bulgaria, Hungary, Rumania, Yugoslavia, and Poland dispatched a formal memorandum to Dr. Oswaldo Aranha, president of the General Assembly, asking the United Nations to end Soviet control over these five countries before, as reported in the press of September 28, the "brutalities of Communist subjugation" started another war. Included among those who signed were former Premier of Hungary, Ferenc Nagy, and ex-secretary to Nikola Petkov, Georgi M. Dimitrov of Bulgaria. The memorandum requested that:

1. The Assembly find the "unrepresentative" governments of these five countries guilty of violating the principles of the Charter of the United Nations.

2. The Assembly set up a commission to guard the implementation of the Charter and other international agreements in these countries and to establish "caretaker" governments until new electoral laws and free elections could be achieved under United Nations sponsorship.

3. The Assembly protect the citizens of these countries now being subjected to Communist pressure and appoint an international commission to investigate charges against such persons.

4. Yugoslavia and Poland be suspended from United Nations membership until they adhere to the Charter.

5. Bulgaria, Hungary, and Rumania be kept from membership in the United Nations until their governments have restored democratic rights.

On September 30, newsmen stated that the exiled leaders who had signed this memorandum admitted that their plea would probably be filed without debate at the close of the present General Assembly session.

a) Albania

Political Trials

It was announced that ten deputies and fourteen other persons had been placed on trial in Tirana on September 5 for an alleged plot to overthrow the government of Premier Enver Hoxha. Three purposes were cited as being paramount in the conduct of these trials:

"(1) To eliminate the largest possible number of educated Albanians and persons in general who had intellectual means to discredit the present Government.

"(2) To provide for the Hoxha Government a justification before the Albanians for its policy of strong hostility against the United States and Britain.

"(3) To strengthen the Albanian Communist party by purging it of members the Government regards as 'lukewarm.'"

On the 22nd the U.S. Department of State issued a press release analyzing the relationship of the United States to these trials, which said in part:

"Charges are being made against the United States during trials now being conducted in Tirana of ten Albanian Deputies and fourteen other Albanian citizens accused of sabotage and subversive activities.

"From the time of its establishment as a modern state Albania has been a striking example of disinterested American aid, without any shadow of exploitation or desire for political profit....During the recent war the United States consistently looked forward to the reestablishment of Albanian independence. In May, 1945 an informal

American Mission was sent to Albania to ascertain the possibilities for recognition of the regime and the establishment of diplomatic relations....

"Immediately following the announcement of this Government's intention to withdraw the Mission, the Albanian authorities instituted trials of alleged Albanian saboteurs in Tirana and trumped up charges that [members of the Mission]...had instigated and subsidized sabotage activities at a drainage project on Lake Maliq and elsewhere....The fabrication of these charges is a sad act of ingratitude on the part of the present Albanian authorities. The Department categorically denied these allegations at the time they were first made.

"The trials now proceeding in Tirana are clearly an attempt of the Albanian regime to perpetuate itself by means of oppression and the terrorization of Albanian liberal, patriotic, opposition elements. The charge that the accused were in any way in the pay or service of the United States, or of any of its representatives in Albania, is entirely untrue."

The trials were rapidly completed and, on the 28th, the Albanian Supreme Court sentenced sixteen persons to death on charges of planning to overthrow the government with British and United States aid. Four others received life imprisonment, and as many more sentences were imposed, ranging from fifteen to twenty years, for "criminal terroristic activities against the people and state."

b) Bulgaria

Execution of Nikola Petkov

A second protest was made by the United States Government to the Soviet Foreign Office on August 30 (made public on September 4) on the sentencing to death of Nikola Petkov, leader of the Bulgarian anti-Communist party. Despite this action, Petkov was hanged in Sofia on September 23. American press sources stated that the government-controlled Sofia press announced the execution to Bulgarians in a news account which stated in part:

"Petkov and the grave-diggers of the people's freedom grouped around him had prepared to cause the occupation of the country by foreign troops, by these same powers who today have transformed Greece into a valley of people's tears and into a bloody battlefield."

Immediately after the hanging, the U.S. State Department released a statement condemning the action, which read in part:

"Mr. Petkov was one of the four Bulgarian signers of the Bulgarian Armistice. As the leader of the Agrarian Party, the largest political party in Bulgaria, he played an active and leading role in the establishment of a coalition government in September 1944 following the overthrow of the Bulgarian Nazi regime. Subsequently, in July 1945 Mr. Petkov and the majority of his party withdrew from the minority

controlled organ which that Government became. Since July 1945 he has been the acknowledged leader of the opposition. He was arrested on charges of conspiracy against the government on June 8, 1947

"Mr. Petkov's trial was a travesty on justice....On August 16, 1947 the court pronounced Mr. Petkov guilty of 'having inspired certain Bulgarian Army officers to found a military union which conspired to overthrow the Fatherland Front government...' Mr. Petkov was sentenced to death.

"Mindful of its obligations under the Yalta Agreement in regard to assisting the peoples of the former Axis satellite states to solve by democratic means their pressing political problems, the United States Government requested the Soviet Acting Deputy Chairman of the Allied Control Commission to instruct the Bulgarian Government, without prejudice to the right of Mr. Petkov to appeal, to suspend the sentence passed upon him until the Commission had had full opportunity to review the case. This and subsequent approaches to the Allied Control Commission were rejected by the Soviet Acting Deputy Chairman on the grounds that such review would constitute 'interference in Bulgarian internal affairs.' On August 23, the American Embassy at Moscow informed the Soviet Foreign Office that the United States Government could not accept the position taken by the Soviet Representative on the Allied Control Commission, and requested immediate consultation at a government level among the three Yalta Powers in order that they might reach concerted policies in regard to the matter. This approach and a later one of August 30 to the Soviet Foreign Office were likewise rejected on similar reasoning. The United States Government also communicated its views concerning the Petkov case to the highest Bulgarian authorities.

"The timing and conduct of the trial and its relationship to other repressive measures undertaken by the Bulgarian authorities make it abundantly clear that the trial constituted but one of a series of measures undertaken by the Communist-dominated Fatherland Front Government to remove from the Bulgarian scene all, save a purely nominal, opposition, and to consolidate despite its professions to the contrary, a totalitarian form of government.

"...In bringing Nikola Petkov to trial the Bulgarian regime placed itself on trial in the minds of many Bulgarians and of freedom supporting peoples outside Bulgaria...."

A Foreign Office spokesman in London expressed similar concern at the death sentence passed on Petkov, and recalled that the Yalta agreements had committed the governments of the United States, the Soviet Union, and the United Kingdom to "collaborate in assisting the peoples of liberated Europe to create democratic institutions of their own choice."

c) Czechoslovakia

Alleged Conspiracies Against Government

The Ministry of the Interior announced on September 15 the arrest in Slovakia of 80 persons suspected of engaging in a conspiracy to overthrow the government, in the course of which plans were said to have been made for the assassination of President Eduard Benes. It was pointed out that the "timing of the arrests aroused suspicion in informed circles in Prague that the Communists were taking advantage of...[a] particular era of political unrest among the parties." By the 28th, word from Prague indicated the probability that these arrests would develop into a Czechoslovakian version of "the Hungarian conspiracy" affair, inasmuch as the Ministry of the Interior had asked for the lifting of the parliamentary immunity of two Catholic secretaries general of the Slovak Democratic Party, alleged to have engaged in the plot.

News coverage from the Czechoslovakian capital on September 30 declared that, according to Slovak Democratic spokesmen, these secretaries (Dr. Jan Kempny and Dr. Milos Bugar) would probably lose their parliamentary immunity and be placed on trial for seditious activity. At the same time, it was asserted that the Communist Premier, Klement Gottwald, in a closed meeting of the National Front, stated that evidence of opposition to important measures by any party in parliament would cause the expulsion of that party from the Coalition National Front government.

d) Hungary

Appointment of New Coalition Government

As a consequence of the disfranchisement of from 500,000 to 1,000,000 voters and the use of such frauds as plural voting, the Communist party emerged as the top group in Hungary by a slight margin in the August 31 elections. Three other major parties in the government coalition gained enough support to give the four-party block 69 percent of all votes. Of this 69 percent, the Communists received 22.3 percent; People's Democrats, 16.4 percent; Small Landholders, 15.4 percent; and Socialists 14.9 percent. All other vote percentages were: Pfeiffer (Independence) Party, 13.4; National Peasants, 8.3; Balogh Party, 5.2; Radicals, 1.7; Christian Women's Camp, 1.4; and Citizens Democrats, 1 percent. A communique of the political bureau of the Hungarian Communist Party under date of September 1, in translation from a Tass dispatch, said that:

"The election results show that the broad masses of the working people have demonstrated their strong confidence in the Hungarian Communist Party. Our Party has become the strongest one in the Parliament....Taking advantage of the election victory, the Hungarian Communist Party will struggle with increasing energy and strength for a higher living standard for the working people, lower living costs, and for the realization of the Three Year Plan...."

Resentment against the election methods utilized by the Communists was expressed by the Socialists and Small Landholders parties and, on the

2nd, Lieutenant General Sviridov, the Soviet chairman of the Allied Control Commission for Hungary, summoned Socialist party leaders to confer with him after he had learned from Arpad Szakasits, the Socialist leader, of the threat of this party to leave the government coalition. On the 5th he called in a leader of the Small Landholders party and urged this group also to continue in the coalition government.

The four-party coalition cabinet formally resigned on the 4th, the usual procedure after an election, but was requested by the President, Zoltan Tildy, to continue in office until a new government could be formed after the convening of the newly elected Parliament on September 15.

At a Communist rally in Budapest on the 6th, Matyas Rakosi (Communist leader) attacked the Independence Party (Pfeiffer) and threatened "this association of Small Landholders, malcontents, enemies of democracy, and reactionaries." Of more importance Rakosi, in the course of his speech, outlined certain points indicative of the economic and political future of the country, namely:

1. The maximum income a Hungarian would be permitted would be about \$273.00 (3000 florins) a month.
2. The government would confiscate the gold still in Hungary of those who had gone abroad.
3. A reduction would be made in the number of government ministries from eighteen to twelve.
4. The numbers of legations and consulates would be cut down.
5. The state would institute a policy of stockpiling flour, potatoes, sugar, lard, and other food staples to bring down high prices.
6. The necessities of life would be priced on two scales, one for the rich and another for the poor.
7. New election laws would be drafted for local and municipal elections.
8. A new court constituted of workingmen would be established for the trial of speculation and profiteering cases.

In conclusion, Rakosi affirmed that "we [the Communists] need the support of all Hungarians because our own and foreign reactionaries will do all in their power to prevent the achievement of our aims."

By the 15th, the rebellion of the Socialists and Small Landholders had subsided, and it was evident that the new Hungarian cabinet would be identical with the old--with Dinnyes as Premier, even though he had been dropped from the lists of the Small Landholders party.

e) Poland

Espionage Trials

A Cracow military court on September 10 sentenced nine men to death and seven to long imprisonment for espionage in behalf of foreign states. The government charged that these persons had furnished state and military secrets to Wladislaw Anders, expatriated Polish general, to former United States Ambassador Arthur Bliss Lane, and to former United Kingdom Ambassador Victor Cavendish-Bentinck. The prosecution, news sources reported, said concerning Lane:

"We are surprised that a representative of the great and glorious American nation in our country--a nation to whom we gave Kusciuszko and Pulaski--has paid us back by accepting spy material.

"This material was handed to Bliss Lane and as its result there appeared...articles slandering Poland and our young state."

5. Iran

United States Views on Soviet-Iranian Oil Negotiations

With the Soviet Union exerting pressure on Iran for ratification of the agreement to establish a joint Soviet-Iranian company to exploit the oil resources of northern Iran, the United States stand on the question was revealed by Ambassador George V. Allen on September 11 in a speech to the Iran-America Relations Society in Teheran. He said:

"The United States has no proper concern with proposals of a commercial or any other nature made to Iran by any foreign government as long as those proposals are advanced solely on their merits, to stand or fall on their value to Iran. We and every other nation in the world, however, do become concerned when such proposals are accompanied by threats of better enmity or by a statement that it would be dangerous for Iran to refuse.

"The United States is firm in its conviction that any proposals made by one sovereign government to another should not be accompanied by threats or intimidation. When such methods are used in an effort to obtain acceptance doubt is cast on the value of the proposals. ...

"Our determination to follow this policy [using U.S. resources to free the world of the fear of aggression] as regards Iran is as strong as anywhere else in the world. This purpose can be achieved to the extent that the Iranian people show a determination to defend their own sovereignty. Patriotic Iranians, when considering matters affecting their national interest, may therefore rest assured that the American people will support fully their freedom to make their own choice.

"Iran's resources belong to Iran. Iran can give them away free of charge or refuse to dispose of them at any price if it so desires."

The British Government was said to have no objection in principle to an Iranian grant of an oil concession to the Soviet Union, if it were freely negotiated by Iran.

Status of Soviet-Iranian Oil Agreement

Premier Ahmad Ghavam presented to the Parliament on the 14th his new Cabinet, a program of internal economic improvement, and a statement of his foreign policy, which the press reported him as saying was based on friendship "especially with the Soviet Union, Britain and the United States." He declared that Iran desired mutual friendly relations with all powers but would not tolerate interference in internal affairs. A Parliamentary vote of confidence in the government and the program was considered necessary before any further business, including the oil concession, could be taken up.

The Soviet Embassy, in reports from Teheran, were said to have complained of misrepresentation of the Soviet case, enumerating the benefits that Iran would derive from the oil contract and denying any Soviet political aims in the northern provinces. An "authoritative" Iranian source stated that the "agreement" of 1946 was in reality an exchange of letters between Premier Ghavam and the Soviet Ambassador to Iran rather than a formal agreement, which would have been contrary to a law enacted in 1944 forbidding government officials to enter into oil negotiations with foreign officials or companies without the consent of Parliament.

Parliamentary debate on the Premier's program was concluded on September 30, and a vote of confidence was expected within a few days—opening the way for Ghavam to report on the oil negotiations and Parliament to begin consideration of the subject.

6. China

Developments Following Wedemeyer Visit

Following the termination of General Wedemeyer's mission to China in August, there was considerable reaction to his observations among Chinese leaders. In an interview on September 3, Premier Chang Chun accused Wedemeyer of being "lax" in his investigations, and declared that "Chinese domestic and foreign policy is fixed and will not be changed." Furthermore, he said:

"Our American friends say the Chinese Government is not efficient. We are studying ways and means to increase our efficiency. We know we've a lot to learn from the United States and other Western countries.

"But changes in China involve many things—old customs and systems of procedure. We are trying to improve our present administration, but many necessary changes must wait."

On the same day the Director of the Chinese Government Information Office, when asked at a press conference whether the government intended to introduce political and economic reforms, replied:

"Economic and political reforms have first place in the thoughts of all policy making government leaders. That there is need for administrative reform in China has never been denied....Continuous planning has been in progress on the highest government level with a view to improving the internal administration of the country, such as the new constitution, the economic reform plan recently announced by the Executive Yuan, the new exchange rules and revised foreign trade regulations, the nation-wide anti-corruption campaign, the reform of the Hsien or country government....Admittedly we must not expect overnight results, especially if the Communist rebellion continues to make such immense drains upon the national resources and thus interferes with the execution of many economic projects. However, I am sure that economic and political reform is going to be the number one news story in China during the next few months...."

Added reaction to the American viewpoint was reflected in a "secret" pamphlet read to the Kuomintang party on September 10 by Chiang Kai-shek. Declaring that it would "probably take from six months to a year" to "suppress" the Communists, it was reported that he warned against reliance on foreign aid, as "it had no chance of success whatever." He said in part:

"Although in considering any problem--particularly the Communist problem--we are naturally thinking in terms of the international situation, the mistake that most of our comrades make is that they show too much tendency to rely on foreign help. They seem to think that without foreign help we shall not be able to accomplish anything. As the situation stands today, even without foreign help, we shall be able to sustain ourselves for another two years...."

"If we persist in the course that we believe is right and do it with determination, the countries allied to us will gradually come to realize the importance of our military campaign against the Communists to world security and to their own interests. It is a truism that anyone who can stand upon his own feet will have friends everywhere."

"In this not only the United States will not interfere in our course of action, but even Soviet Russia will not come out in open opposition against us."

On the next day, following a five-day session of the Kuomintang and Youth Corps, during the course of which Chiang Kai-shek expressed criticism on more than one occasion of the "corruption" and "low morale" in his party, he declared that "our most fundamental problem is how in the midst of chaos and confusion to strengthen the organization and reform the spirit of our party." A reform platform, adopted the same day by the Kuomintang Central Executive Committee, included in its principles the elimination of corrupt elements and the purging of the "revolutionary line-up"; greater benefits to the "masses of the people" under constitutional government developments; the extension of democracy within the party but with the requirement that the minority follow the "will of the majority once decisions are made"; and the fostering of educational aims.

Coinciding with Wedemeyer's return to Washington, the Chinese Government released on September 14 the text of a statement which had previously been handed to Wedemeyer soon after he arrived in Nanking. This statement was in response to his request for a summary of measures taken since V-J Day towards the establishment of a "stable political and economic structure in China." The statement declared the Government's policy to be:

1. Suppression of the Communists as an armed political party.
2. Immediate initiation of an effective program to control inflation.
3. Intensification of economic rehabilitation work "as far as Government resources permit," accompanied by "political reforms in local governments."
4. Building up of a democratic, constitutional government.

However, numerous difficulties were pointed out in the way of speedy implementation of this program. At the termination of the war with Japan, the economy of the country was in chaotic condition owing to disruption of communications and dislocation of rural economy, while large areas were overrun by Communist troops. In spite of these difficulties, and in a country where social institutions were not adapted to modern conditions, the government asserted that it had attempted to reorganize the army and reduce the national budget, to lay the groundwork for reform of local government institutions, to restore communications, and open mines and ironworks. The most serious obstacles still hampering government efforts to institute reforms were the civil war and inflation. Furthermore, the Communists disrupted "every possible effort" to restore communications, and the impossibility of diminishing the size of the army and reducing the budget while the war continued aggravated the inflation, which threatened "every fabric of our political and economic life." Though the statement declared that inflation was lowering the morale of the army and the efficiency of civil servants, it added that "considering the strained circumstances of the civil servants in general, it is astonishing to find the great bulk of them are carrying on without failing in their duties." Establishment of the People's Political Council and the National Assembly were listed among the "democratic" advances made. It was also pointed out that progress was necessarily slowed up by "the vastness of the country, the weakness of its traditional political, economic and social structure and the complexity of the problems," while an added obstacle in recent years had been the increasing complication of "relations between China and her neighbors."

In a press interview on the 16th Vice President Dr. Sun Fo was reported to have intimated that China might align herself with the Soviet Union unless she received aid from the United States in the near future. Describing United States policy in the Far East as one of "vacillation, uncertainty and confusion," which was leaving China little alternative but a closer co-operation with the Soviets, he declared: "The results of Wedemeyer's report to President Truman will tell China whether it would be better for her to side with the United States or Russia."

Status of Port of Dairen

The Soviet Government's reply to the United States note of August 14 requesting that the port of Dairen be re-opened to international trade without delay was delivered to the American Embassy in Moscow on August 27 and a partial text was made public in Washington on September 2. After referring to its note of February 27, 1947, "in which it was stated that the status of Dalny is defined by the special Soviet-Chinese agreement regarding Dalny of August 14, 1945," the Soviet Government continued:

"As is known, in accordance with that agreement, Dalny during the existence of a state of war with Japan falls under the regime which has been set up in the Naval base of Port Arthur. Inasmuch as the state of war with Japan is not terminated because there is as yet no peace treaty with Japan, naturally, the regime of the naval base continues to prevail over Dalny.

"Considering this circumstance, as well as the fact that civil administration of the Chinese Government for reasons beyond Soviet control, has not as yet undertaken fulfillment of its functions in Dalny, the Soviet Government sees no basis for a change of regime which at the present time exists in Dalny. The Soviet Government in this connection categorically rejects, in view of above-mentioned circumstances, any attempt to burden it with responsibility for treatment of American interests."

7. South African-Indian Controversy

Action in the General Assembly

Acting in accordance with the General Assembly resolution of December 1946, India reported to the Assembly on September 3 that the South African government "have clearly indicated that they have no desire to take any steps to remove the discriminatory treatment against Indians and other Asiatics imposed by legislation and administrative measures." The report asserted that spokesmen of the South African government had impugned the judgment and impartiality of the United Nations, and requested the organization to decide upon appropriate steps to insure implementation of the Assembly resolution and respect for the provisions of the Charter which relate to fundamental freedoms.

South Africa's report, made public on the 17th, denied the charges brought by India in the Assembly in 1946. It expressed doubt as to whether the Assembly could have jurisdiction over what South Africa considered a domestic matter, and maintained that the laws complained of by India did not violate the United Nations Charter. It was argued that the purpose of the Charter "is not to deal with every conceivable right, whatever the political, social, economic, racial or religious structure" of the nation in which it exists. The Government of India was assailed for continued imposition of economic sanctions on South Africa, despite assistance to India with vaccines against bubonic plague and with research facilities, and despite South Africa's forbearing to apply economic sanctions in retaliation against India.

B. TREATMENT OF NON-SELF-GOVERNING PEOPLES

1. India and Pakistan

Governmental Action in Communal Disorders

Communal rioting and disorder that had begun in India and Pakistan in mid-August as a consequence of partition continued throughout September. On the 3rd, the Prime Minister of the Dominion of India, Pandit Jawaharlal Nehru, estimated that 2,000,000 persons might be displaced as the result of the warfare--while other estimates indicated that possibly more than 100,000 Hindus and Sikhs had been slaughtered by Moslems in the Punjab. By the 13th, Nehru judged that the number of people involved in the changing of persons between India and Pakistan had increased to more than 4,000,000. He added that his government had been "taken un-awares, and when a Government is taken unawares, it must suffer for it." However, he did indicate that machinery was being built up to deal with "every possible contingency and emergency all over India."

A statement was made in New York City on September 16 by Sir Zafrulla Khan, head of the Pakistan delegation to the United Nations, in which he asserted that Pakistan would bring India before the General Assembly if the slaughter of Moslems was not stopped. The Government of India released a note on the 18th refuting certain of the charges made and adding that everything possible was being done to put down disorder and to protect and care for refugees.

Following a conference in New Delhi on September 19 and 20 between Prime Minister Nehru of India and Prime Minister Ali Khan of Pakistan, a note setting forth an understanding between the two states was released. The statement pointed out that there had been "full and frank discussions and many complaints received by either government" had been considered. It continued:

"The two governments were in complete accord that they should co-operate in the establishment of peaceful conditions. Any conception of conflict between India and Pakistan was repugnant, not only on moral grounds, but because any such conflict would result in disaster to both. . . In order to maintain close contact between the governments and to facilitate the joint consideration of problems, it was decided that frequent meetings should take place between the ministers of the two governments alternately in Delhi and Lahore. . ."

In an expression of view of the United States Government on the situation in India and Pakistan, Acting Secretary of State Lovett at a September 24th news conference released the following statement:

"The people of the United States have observed with deep satisfaction the recent improvement in the tragic plight of the inhabitants of the Punjab Provinces in India and Pakistan. The majority of the peoples of the two Dominions have shown a praiseworthy patience and restraint in a time of drastic readjustment and great tension.

Excepting the Delhi area where the influx of refugees created an abnormal and difficult situation, serious disturbances have been localized in the Punjab. Elsewhere, the complex problems of transition from a single Empire to two Dominions have been faced with calmness and the determination to seek an orderly solution.

"The peoples of India and Pakistan and their new Governments have the sympathy of the United States and are entitled to the support of all democratic countries in their endeavors to cope with the very difficult problems attending their emergence into nationhood. Full and friendly cooperation between the two Dominions affords the strongest base from which to attack these problems, and all friends of the new Governments welcomed the announcement on September 20 of the accord reached by their Prime Ministers for further joint efforts to restore peace and order in the disturbed areas. It may confidently be expected that the two Governments will continue to work together toward the mutual objective of peace and well-being for all their peoples."

London government sources disclosed on September 27 that Pakistan officials had addressed an appeal to the other governments of the British Commonwealth for help in ending the communal slaughter going on in India and Pakistan. At the end of the month the governments of the United Kingdom, India, Canada, Australia, New Zealand, and South Africa were reported to be studying the Pakistan request with a view to working out a suitable solution of the problem.

2. Burma

Establishment of Diplomatic Relations by United States

A statement by the American chargé-d'affaires in Rangoon, made public in Washington on September 19, disclosed that the United States had recognized the changing political status in Burma through the establishment of diplomatic relations with that country. It was pointed out:

"The establishment of diplomatic relations and the exchange of diplomatic representatives between the United States and Burma is a milestone in the development of relations between the two countries, signifying American recognition of Burma's changing political status.

"The Government of the United States is deeply interested in developments in Burma and west coast Asia and looks forward to Burma's early emergence into full and independent statehood, with resulting possibilities for international collaboration in a peaceful world.

"The United States Government is hopeful that cultural and economic relations between Burma and the United States may develop to the mutual benefit of both countries."

Approval of New Constitution

The Constituent Assembly on September 24 unanimously approved the new constitution of the Burma Union, including additional provisions

for a semi-autonomous state in the Union to be called the Karenni States, and composed of Kantarawadi, Bawlake, and Kyebugye. The Karenni States, after the British annexed Upper Burma in 1886, retained their independence guaranteed by a treaty of 1875 between the King of Burma and the Governor-General of India, but became British protectorates, with their rulers being advised by British political personnel under orders from the Governor of Burma.

3. Indo-China

French Government Appeal

In a speech delivered by High Commissioner Emile Bollaert at Hai Duong near Hanoi, reported under a Paris deteline of September 10, the French Government made what was termed a "last appeal" to Indo-China to accept independence within a French Union, with the retention of control of the army and foreign policy by France. Bollaert had returned to Saigon on August 29 after consultation with Premier Paul Ramadier and others of the cabinet in Paris, and his declaration was considered in the nature of an outline of a colonial charter for France, made with the full approval of the French cabinet. It contained the following concessions:

1. An offer of administrative autonomy to the five provinces of Indo-China.
2. Recognition of their right to federate or in another manner to organize their internal activities.
3. An offer of aid of French officials and technicians to a future Indo-Chinese state, but without specific definition of the functions and powers of the French customs service, said to be important in the present Indo-Chinese economy.
4. Proposal of a separate monetary system for Indo-China.
5. The offer of the status of an "associated state" in the French Union, called equivalent to that of a dominion in the British Commonwealth.

Conditions to be imposed included:

1. Indo-China to remain within the French Union.
2. The assumption of the duties of external defense of Indo-China by the French.
3. The retention of diplomatic relationships between Indo-China and other states in French jurisdiction.

Excerpts from the Bollaert declaration pointed out that Indo-China had "...some very complicated domestic problems which cannot be solved over night. But at least we can lay the foundation for a more lasting peace by assuring these peoples of the possibility of democratically choosing their own form of government and their own administration....

"The offer I am making in the name of the government of the republic is an indivisible entity which must be accepted or rejected as a whole. This is my last appeal."

A news item on the 18th indicated that a Viet Nam Republic spokesman had said that his government was unwilling to accept a mediation offer of the former emperor of Annam, Bao Dai, whom the French had, it was understood, been willing to consider a suitable mediator. At the close of September no information was available as to the possibility of acceptance of the Bollaert declaration.

4. Indonesia

Status of Case

The Lieutenant Governor General of the Netherlands East Indies, Hubertus Van Mook, conferred on September 8 in Washington with Netherlands Ambassador to the United States, Eelco Van Kleffens, U.S. Secretary of State Marshall, and Under Secretary Lovett concerning the Indonesian question. Following the meeting Van Mook stated, at a press conference, that the complete background of the conflict had been considered and that, as a result, he was hopeful for a better understanding of the issues involved. He said he had no information regarding a third nation to be selected to make an impartial study of the situation since the "cease-fire" order of August 1 had been issued. As the matter stood, Australia and Belgium had agreed to act in this survey and to choose a third state to aid them. Van Mook made it clear that no approach to settlement of differences, other than under United Nations auspices, was being considered and that the wartime declaration of the Queen of the Netherlands calling for increased autonomy in Dutch colonies was still official national policy.

On the 9th, in another press conference, Van Mook further clarified the views of the Netherlands government by saying that he believed that the Security Council had been "useful and helpful", but that a solution could be achieved only if both parties to the dispute upheld the "cease-fire" order. He explained that:

"There is a Communist party which certainly has lines of communication with the outside, and the Communist influence is not negligible. Also, there are different groups of people that profit by selling out the Republic."

In added expressions of views, the Premier of the Indonesian Republic, Amir Sjahrippoedin, said on September 15 that the Republic would ask that the operation of any future agreement made with the Netherlands government be guaranteed by a third power--probably the United States or the United Kingdom. Van Mook, before leaving for Amsterdam on the 17th, declared that the Netherlands was working to give the Indonesians independence by January 1, 1949, although the present conflict might delay such action. Former Premier Sutan Sjahrir, the spokesman for Indonesia before the Security Council, said in a speech made in Washington prior to returning to his country that:

"We of Indonesia feel that the United Nations organization must associate itself actively in the solution of the Indonesian problem and use all its power and influence to prevent a worsening of conditions in Indonesia. And it is of the utmost importance that the United States of America participate wholeheartedly in the work of the United Nations if that organization is to produce a stable and lasting peace in Indonesia."

He pointed out further:

"Intervention by the Security Council in the hostilities in Indonesia has now placed the Indonesian problem before the world. It is now no longer a matter for the Indonesians and the Dutch alone, but for all the nations that go to make up the United Nations.... Basically this Indonesian problem is the problem of all colonies in its most acute form and at its most critical stage.

"I believe it is clearly understood by now that the freedom movement in the colonial countries is a very real one and that the motivating forces behind this movement, as now seen most clearly in Indonesia, represent a new factor in the history of the world.

"It is also evident that, generally speaking, most countries possessing colonies--and very evidently the Dutch--have not been able to adapt themselves, at least not sufficiently, to the trends of recent history which have resulted in changed circumstances. The net result is revolution, hostility and war, as in Indonesia."

A week later the Netherlands Premier and Acting Minister for Overseas Affairs, Dr. Louis J. M. Beel, advised the Dutch Parliament on September 23 of a government plan to form a central organization preparatory to an interim Federal Government for the United States of Indonesia. Among the points emphasized by Beel were:

1. The replacement of the Commission General for Indonesia by a group that would share responsibility with the Acting Governor General, Van Mook.
2. Reiteration that the Netherlands government had no desire to destroy the Republic but rather to restore order in the Republican border territories where "terrorists and Japanese-influenced gangs" were influential.
3. Expression of the hope that the United Nations Consular Mission in Batavia as well as the Committee of Good Offices would be able to bring about a peaceful solution of the problem.

In the meantime, it had been announced on the 18th that the United States had consented to serve as the third government, together with Australia and Belgium, on the Committee of Good Offices set up by a Security Council resolution of August 25.

5. Palestine

Comments on Report of Special Committee

The full report of the United Nations Special Committee on Palestine released on September 8 met with Zionist criticism regarding certain aspects of the majority plan which provided for the establishment of an Arab and a Jewish state in Palestine, and with joint administration of economic matters of common interest. The Zionists were, however, expected to accept it as a solution of the problem. The Palestine Arab Higher Committee was reported to have called both the majority and minority proposals "absurd, impracticable and unjust" and declared that the Arabs would "never allow a Jewish state to be established in one inch of Palestine," threatening "trouble and bloodshed" if such an attempt were made. The minority proposed a federal state, with Arab and Jewish sections enjoying local self-government and regulating many aspects of their affairs.

Secretary of State Marshall in addressing the General Assembly on the 17th was noncommittal, stating:

"The General Assembly is also faced with the problem of Palestine. The Government of the United States intends to do everything within its power at this session of the General Assembly to assist in finding a solution for this difficult problem which has stirred up such violent passions, and which is now resulting in the shedding of blood and in great mental and moral anguish. The solution will require of each of us courage and resolution. It will also require restraint.

"The special committee on Palestine is to be highly commended for its contribution to the solution of this problem. Although the members of this committee were not able to agree unanimously upon a number of important issues, including that of partition, they have been able to find the basis for agreement on eleven recommendations to this Assembly. Their achievement in reaching unanimity on so many points represents definite progress.

"We realize that, whatever the solution recommended by the General Assembly it cannot be ideally satisfactory to either of the two great peoples primarily concerned. While the final decision of this Assembly must properly await the detailed consideration of the report, the Government of the United States gives great weight not only to the recommendations which have met with the unanimous approval of the special committee but also to those which have been approved by the majority of that committee."

A conference of Arab Foreign Ministers meeting in Beirut, Lebanon issued a statement on September 21 which declared that:

"...the proposals of the United Nations Special Committee were found to be flagrantly prejudicial to Arab rights and to violate all promises given to the Arabs. All the Arab countries consequently were resolved to oppose the enforcement of the proposals and indeed of all measures which did not guarantee Palestine's independence as an Arab State.

"The United Nations Committee had been warned that their recommendation that a Jewish State should be established in Palestine would result in inevitable troubles in the whole of the Middle East. The Palestine Arabs were determined to wage a desperate war in the defence of their homes, knowing that all the Arab countries stood behind them and would supply them with men, money, and materials. The Arab Governments could not stand with folded hands before a danger which menaced all Arabs, they would take decisive action against aggression."

Policy Statements by British and Arabs

The General Assembly, on the 23rd, approved the creation of an Ad Hoc Committee on the Palestinian question rather than referring the issue to one of the regular Assembly Committees.

A policy statement on the British attitude was made to the Palestine Committee on the 26th by Arthur Creech Jones, Secretary of State for the Colonies. He declared first that the British Government was "in substantial agreement with the twelve general recommendations" made in the report of the Special Committee, and proceeded to "endorse and emphasize" three recommendations in particular: the earliest possible termination of the mandate, the earliest practicable granting of independence to Palestine, and the making of international arrangements to deal with displaced European Jews "as a matter of extreme urgency." Reiterating the British Government's willingness to lay down the mandate, he referred to the statement made at the special session of the Assembly in May by Sir Alexander Cadogan, that Britain did not desire to oppose the wishes of the Assembly as to the future of Palestine, but "at the same time he drew a distinction between accepting a recommendation, in the sense of not impeding its execution by others, and accepting responsibility for carrying it out by means of a British administration and British forces." Creech Jones asserted that the attitude of the British Government remained the same, but pointed out that the crucial question was the enforcement of any settlement recommended by the Assembly. He set forth the British point of view on the subject as follows:

"First, the United Kingdom Government are ready to assume the responsibility for giving effect to any plan on which agreement is reached between the Arabs and the Jews. Second, if the Assembly should recommend a policy which is not acceptable to the Jews and the Arabs, the United Kingdom Government would not feel able to implement it. Then it would be necessary to provide for some alternative authority to implement it.

"His Majesty's Government are not themselves prepared to undertake the task of imposing a policy in Palestine by force of arms. Likewise, in considering any proposal to the effect that His Majesty's Government should participate with others in the enforcement of a settlement, they must take into account both the inherent justice of the settlement and the extent to which force would be required to give effect to it.

"I repeat again that His Majesty's Government have determined to base their policy on the assumption that they must lay down the mandate, under which they have sought for twenty-five years to discharge their obligations to facilitate the growth of the Jewish national home and to protect the interests of the Arab population. In order that there may be no misunderstanding of the attitude and policy of the United Kingdom, I have been instructed by His Majesty's Government to announce with all solemnity that they have consequently decided that in the absence of a settlement they must plan for an early withdrawal of British forces and of the British administration from Palestine....

"May I venture to add that if, however, no basis of consent for a settlement can be found, it seems to me of the highest importance that any recommendations made by the General Assembly should be accompanied by a clear definition of the means by which they are to be carried out."

The Arab position on the Palestine question was given to the Committee on the 29th in a lengthy statement by the vice president of the Arab Higher Committee for Palestine and chairman of the Palestine Arab delegation at the Assembly, Jamal el-Husseini. He based their case on "one glaring, all-embracing fact: That we are there and have always been there in actual possession of our own country, and we have one binding, lawful and sacred duty: To defend it against all aggression." The Zionist movement, he said, was "nothing but an invasion that aims, by force, at securing and dominating a country that is not theirs by birthright." Immigration was opposed on the ground that "even if there exists any room in Palestine for an increase in the population, which is not the case, that must be left for the natural increase---the population of Palestine without immigration will be doubled in less than twenty years, and will make of Palestine one of the most densely populated countries of the world."

Husseini charged the mandatory with discrimination against the Arabs in the matter of education and in the economic field, as well as in the distribution of financial benefits. He pointed out that the Jews had been offered a national home in Uganda long ago and that the Soviet Union had opened Biro-Bidjan to Jewish settlement; both territories were large and fertile enough to "relieve millions of Jews from their distressful conditions, in a manner which Palestine could not do....The Zionist organization does not want Palestine for the permanent solution of the Jewish problem or the relief of the Jews in distress. They are after power, they are after the central and strategic position of Palestine that neither Uganda nor Biro-Bidjan possesses." Following some remarks on the homogeneity of the Arab world and the undesirability of creating "a new Balkans" by introducing an alien state into it, Husseini stated the Arab conception of a solution for the problem as the termination of the mandate followed by independence, with the form of government not to be "imposed from without." He set up four principles to be recognized as the basis for the constitutional organization:

"(1) That an Arab state in the whole of Palestine be established on democratic lines.

"(2) That the said Arab state of Palestine will respect human rights, fundamental freedoms and equality of all persons.

"(3) That the said Arab state of Palestine will protect the legitimate rights and interests of all minorities.

"(4) That freedom of worship and access to holy places will be guaranteed to all."

This solution he declared to be "the one and only course that the Arabs of Palestine are prepared to take, and this is the only item on your agenda that our delegation is prepared to associate itself with." The report of the Special Committee was rejected as a basis for discussion, both proposals being "based on considerations that are, in our opinion, inconsistent with and repugnant to our rights, the United Nations Charter and the Covenant of the League of Nations." The Arabs of Palestine, he concluded, would "oppose, with all the means at their disposal, any scheme that provides for the dissection, segregation or partition of their tiny country or that gives to a minority, on the ground of creed, special and preferential rights or status."

Status of Illegal Refugees

The 4,500 Jewish refugees of the "Exodus 1947" who had refused to disembark in France returned to Germany on September 7 and were put ashore at Hamburg—with force being used by the British when a number refused to debark. They were taken to previously prepared refugee camps to remain temporarily for interrogation and classification.

On the 10th Secretary of State Marshall, in response to questions at a news conference, disclosed that the United States had endeavored to persuade Britain to alter the decision to return the "Exodus" refugees to Germany, being aware of the unfortunate results to be expected from such a decision. The British Government had replied, however, that only in Germany were housing facilities available, but they had pointed out that a French offer to receive them was still open. On September 25 the opportunity to enter France was again offered to the Jewish refugees by loud-speaker vans touring the two camps, but the offer was completely ignored and no one volunteered to go—although the alternative was a reduction in rations to the basic German scale.

6. South-West Africa

Proposed Trusteeship Agreement

The refusal of the Union of South Africa to submit a trusteeship agreement for South-West Africa was the subject of three days of debate in the Trusteeship Committee of the General Assembly. On September 25 the United States' position was voiced by John Foster Dulles who looked upon the refusal as regrettable, but who could not agree that there was a legal obligation to submit trusteeship agreements—inasmuch as the General Assembly could only recommend action. He suggested that the Assembly be

requested to authorize the Committee to consider such information as South Africa submitted.

The Soviet delegate, speaking on the 26th, said that the attitude of the United States appeared to sanction the action of South Africa. He thought such actions as that of South Africa undermined the United Nations, in spite of declarations of loyalty to the organization, and proposed the adoption of a motion denouncing the attitude of the Union and urging the implementation of the General Assembly resolution of December 1946.

A more moderate view was taken by the British representative when he spoke on the 27th, saying that trusteeships were voluntary and the General Assembly could not force South Africa to enter into such an agreement, but that the Committee might make a new recommendation that an agreement be submitted. At the close of the meeting, midnight of October 1 was set as the time limit for submission of resolutions on the subject, and further discussion was deferred until that time.

7. Anglo-Egyptian Sudan

Discussion of Case by Security Council

The Security Council, resuming sessions on September 10, undertook further examination of the Egyptian case, considering a resolution submitted by China which

"recognized 'the natural and reasonable desire of the Egyptian Government for the early and complete evacuation of British armed forces from Egypt', noted that the United Kingdom had already evacuated certain parts of Egypt and declared that it had confidence that 'the re-establishment of direct contact between the parties will result in early evacuation of remaining British armed forces.' The resolution recommended that the parties concerned resume negotiations and keep the Security Council informed of the progress of these negotiations, reporting to the Council in the first instance not later than 1 January 1948."

In opposition Nokrashy Pasha, Egyptian Prime Minister, claimed that the purpose of maintaining British troops in Egypt was to exert pressure on that country both at present and in the future, and accordingly he declared that as long as the troops were stationed in his country, which placed Egypt in a position of inequality, he saw no prospect of fruitful negotiations with Britain.

Sir Alexander Cadogan (U.K.) denied the exertion of pressure in recent years in Egypt and expressed the opinion that only direct negotiations would lead to positive results. Syria suggested that the withdrawal of British troops was the only way for Britain to win the friendship of Egypt.

The Soviet representative asserted that he considered the Egyptian demand for withdrawal of the British troops justified. The Chinese resolution, he said, was too weak and too inadequate to provide for any effective measures which would bring about an appropriate and just solution

of the question. He declared that there were means by which the Security Council could bring results, but unfortunately some members of the Council did not find it appropriate to meet the just demands of Egypt.

Australia introduced an amendment to the resolution expressing confidence that renewal of negotiations would result in "the early evacuation of British troops from Egypt and also in the settlement of the other issues in dispute between the parties." This amendment the Chinese representative said he could not accept, as the question of evacuation was the most urgent and psychologically the most important.

The United States emphasized that troop evacuation was not the only aspect of the problem, although his country sympathized with Egypt in the matter and understood that she would like the foreign troops to leave. He pointed out that the Chinese resolution evaded the fundamental question of the validity of the 1936 Treaty, and declared that he still preferred the Brazilian resolution which had been rejected, as it did not prejudice the rights and aspirations of the two parties.

In voting the Australian amendment received only 4 votes (Australia, Brazil, France, and the United States) with 6 abstentions. The Chinese resolution received the votes of China and Colombia, with the other members abstaining. Great Britain, being a party to the dispute, did not vote in either instance.

After the defeat of the resolution Soviet delegate Gromyko, as President of the Security Council, said that the Egyptian question remained on the agenda of the Council and could receive further consideration at the request of any member of that body or of either of the parties to the dispute.

C. PROPAGANDIST ACTIVITIES

Soviet Charges Before the General Assembly

In his statement on Soviet policy before the General Assembly on September 18, Soviet Deputy Foreign Minister A.Y. Vyshinsky called the attention of the Assembly to "a very important question concerning measures against the propaganda of a new war steadily increasing in a number of countries." Vyshinsky specifically charged that the United States had been carrying on war propaganda systematically over a long period of time, following three trends:

- "1. Fear of the Soviet Union, as a mighty power allegedly seeking world domination and preparing an attack on the United States of America. ...
- "2. Open propaganda ... for the increase of armaments and further perfection of atomic weapons. ...
- "3. Statements openly calling for an immediate attack against the Soviet Union ..."

He also mentioned by name a number of American business firms and individuals as "war-mongers."

Vyshinsky asked "as a matter of urgency" for the adoption of a resolution by the Assembly under which the United Nations Organization would (1) condemn "the criminal propaganda of a new war which is being carried on by reactionary circles in a number of countries," (2) consider "the tolerance, and more so the support, of such propaganda of a new war, that would inevitably be transformed into a third world war, as a violation of the obligations undertaken by the members of the Organization," and (3) consider it "necessary to urge the governments of all countries on pain of criminal punishment to prohibit war propaganda in any form whatever."

No direct and official reply to the Soviet charges was made immediately by the United States in the General Assembly, but on September 20, U.S. Representative Austin in a public statement in New York said that Vyshinsky's speech:

"... probably reached its mark: namely, the people of the Soviet Union. Doubtless it frightens them into the belief that the United States intends to make an armed attack on Russia.

"In the United States, the effect was the reverse of the Soviet spokesman's purposes. The intemperance of the charge, the absolute falsification of American motives, and the libel of individuals and institutions, discourage many Americans who have consistently believed that the Soviet purposes are peaceful.

"The people of the United States and the Government of the United States firmly adhere to the principles and policies of the United Nations, in spite of the provocation which such utterances give to our people. We refuse to believe that it was Mr. Vyshinsky's intention to reflect on the honor of our country.

"We still believe that peace is the purpose of all countries, both governments and people. The methods practiced by them differ. We believe that those followed by the Soviet Union are ill-conceived and have more tendency to generate hate and war than love and peace."

United States Protest on Soviet Press Attacks

Following these Soviet-American exchanges, on September 29 the U.S. Department of State released the texts of letters dated September 25 between U.S. Ambassador Smith and Soviet Foreign Minister Molotov concerning an article regarding President Truman that had been published in the Soviet press. The Smith letter stated in part:

"During the year and a half that I have resided in the Soviet Union I have been obliged with the deepest regret to witness in the Soviet press an increasing flood of half truths, distortions of truth and utter falsehoods about my country and my government. I have tried to overlook this incendiary press campaign. ...

"However, an occasion has now arisen when I must break this self-imposed rule. An article ... just published ... is so wantonly libelous in its personal attack on the President of the United States that I cannot permit it to pass without the strongest protest. It has thoroughly shocked me ...

"I cannot believe that [this] article represents the opinion of the Soviet Government, and I therefore request that it be officially disavowed and if, contrary to my belief, it has the approval of the Soviet Government, I would appreciate a statement to that effect."

Molotov replied that "... the Soviet Government cannot bear the responsibility for this or that article, and so much the more cannot accept the protest you have made in that connection." However, in commenting upon Molotov's reply, a State Department spokesman said it did not, in the American view, constitute a disavowal of the offending article.

IV. SECURITY PROBLEMS

The principal elements in the United States security policies were again stressed by President Truman in his address on September 2 to the closing session of the Inter-American Conference on the Maintenance of Continental Peace and Security at Rio de Janeiro. He said:

"Another important element of our policy vital to our search for peace is fidelity to the United Nations. We recognize that the United Nations has been subjected to a strain which it was never designed to bear. Its role is to maintain the peace and not to make the peace. It has been embroiled in its infancy in almost continuous conflict. We must be careful not to prejudge it by this unfair test. We must cherish the seedling in the hope of a mighty oak. We shall not forget our obligations under the Charter, and we shall not permit others to forget theirs.

"In carrying out our policy we are determined to remain strong. This is in no way a threat. The record of the past speaks for us. No great nation has been more reluctant than ours to use armed force. We do not believe that the present international differences will have to be resolved by armed conflict. The world may depend upon it that we shall continue to go far out of our way to avoid anything that would increase the tensions of international life.

"But we are determined that there shall be no misunderstanding in these matters. Our aversion to violence must not be misread as a lack of determination on our part to live up to the obligations of the United Nations Charter or as an invitation to others to take liberties with the foundations of international peace. Our military strength will be retained as evidence of the seriousness with which we view our obligations."

A. ORGANIZATION OF A SYSTEM OF COLLECTIVE SECURITY

Opening of the Second Regular Session of the General Assembly

The opening meeting of the second regular session of the United Nations General Assembly was held at Flushing Meadow, New York, on September 16, and was attended by approximately 1,800 delegates representing 55 members of the United Nations. Dr. Oswaldo Aranha of Brazil was elected president on the second ballot by a vote of 29 to 22, defeating Foreign Minister Herbert Evatt of Australia. Representatives of the states indicated were elected chairmen of the following six main Committees of the Assembly: Committee 1 (Political), Luxembourg; Committee 2 (Economic), Chile; Committee 3 (Social), Poland; Committee 4 (Trusteeship), New Zealand; Committee 5 (Budgetary), India; and Committee 6 (Legal), Syria. The seven vice-presidents of the Assembly that were elected comprised representatives of each of the following states: Great Britain, the United States, China, France, Mexico, the Soviet Union, and Cuba. The chairmen of the six main committees and the seven vice-presidents constitute, with the President, the powerful General (or Steering) Committee of the Assembly.

General debate in the Assembly opened on the 17th with the major address being made by U.S. Secretary of State Marshall, who outlined the foreign policy principles of the United States and emphasized such matters as the Greek case, Korea, a suggestion for an interim Assembly, the veto problem, the international control of atomic energy, and the regulation of conventional armaments. Each one of these is summarized under the proper section in this issue of the Summary. On the 18th, Deputy Soviet Foreign Minister Vyshinsky, in a violent 90-minute speech, outlined Soviet foreign policy, partly in answer to the Marshall statement of the 16th. The Vyshinsky speech, which is treated more fully in other sections of this issue of this Summary, especially urged that the United Nations condemn "criminal propaganda" directed against the Soviet Union in an effort to accustom the people of the world to the idea of a new war.

The general debate in the Assembly continued for the next several days. French Foreign Minister Bidault spoke on the 20th regarding the relationship between his country and the United Nations, declaring that it was "futile and dangerous to conceal the magnitude and the seriousness of the crisis which matured for some time and is today opened." Hector McNeil, British Minister of State and chief of the British delegation, spoke on the 22nd of the "limited success" of the United Nations, and charged that the Soviet Union had hampered the work of the Security Council by the use of the veto and by delaying action in the Atomic Energy Commission and Commission for Conventional Armaments by what he termed "a new weapon—the slow veto."

On the 23rd, following conclusion of the general debate, Secretary General Lie addressed the Assembly, appealing to the members to return to the spirit of co-operation expressed in the preamble to the Charter. He declared:

"The very cornerstone of the United Nations--Big Power co-operation and understanding--is being shaken by open differences between the Powers. ...

"The greatest difficulty lies in the fact that the Great Powers suspect each other or each other's intentions. It is fear which is the great danger. Fear breeds hate, and hate breeds danger. ..."

Lie also asserted that political differences and suspicion were endangering the humanitarian activities of the United Nations, declaring:

"Certain nations have made tremendous contributions to relieve need and to encourage economic stability in various areas of the world. Yet it is clear to everybody that, to an ever-increasing degree, the world is an economic unit and that these requirements can only be fulfilled by full international cooperation. ..."

On the same day, the Assembly approved the General Committee's recommendations for its agenda, and allotted the 61 items thereon to the various committees, which began work on the 24th.

At the plenary session of September 30, Pakistan and Yemen were admitted to membership. The Assembly then proceeded to vote for three non-permanent members of the Security Council to replace Australia, Brazil, and Poland. Argentina and Canada were elected on the first ballot, with 41 votes each. The Ukraine received 33 votes and India 29 for the third place; 38 votes (two thirds majority) were required, however, for election. In five more ballots cast to elect the third member, neither state received the necessary majority and further voting was postponed for the time being.

At the close of the month, leading problems before the Assembly appeared to be: Palestine, Greece, the veto, admission of new members, Spain, international economic aid, atomic energy control, completion of the Security Council election, and site plans and budget for the Organization.

1. Modification of the Veto Provisions

Proposals Before the General Assembly

Argentina declared its intention on September 6 to ask the General Assembly to call its members together to consider revision of Article 27 of the Charter--relating to the veto power of the permanent members of the Security Council. This was followed by the submission of a formal resolution in the matter to the Assembly.

U.S. Secretary of State Marshall, during the course of a major policy speech before the General Assembly on September 17, pointed out that:

"The effective operation of the United Nations Security Council is one of the crucial conditions for the maintenance of international security. The exercise of the veto power in the Security Council has the closest bearing on the success and the vitality of the United Nations.

"In the past the United States has been reluctant to encourage proposals for changes in the system of voting in the Security Council. Having accepted the Charter provisions on this subject and having joined with other permanent members at San Francisco in a statement of general attitude toward the question of permanent member unanimity, we wished to permit full opportunity for practical testing. We were always fully aware that the successful operation of the rule of unanimity would require the exercise of restraint by the permanent members, and we so expressed ourselves at San Francisco.

"It is our hope that, despite our experience to date, such restraint will be practiced in the future by the permanent members. The abuse of the rights of unanimity has prevented the Security Council from fulfilling its true functions. That has been especially true in cases arising under Chapter VI and in the admission of new members.

"The Government of the United States has come to the conclusion that the only practicable method for improving this situation is a liberalization of the voting procedure in the council.

"The United States would be willing to accept by whatever means may be appropriate, the elimination of the unanimity requirement with respect to matters arising under Chapter VI of the Charter, and such matters as applications for membership.

"We recognize that this is a matter of significance and complexity for the United Nations. We consider that the problem of how to achieve the objective of liberalization of the Security Council voting procedure deserves careful study. Consequently, we shall propose that this matter be referred to a special committee for study and report to the next session of the Assembly. Measures should be pressed concurrently in the Security Council to bring about improvements within the existing provisions of the Charter, through amendments to the rules of procedure, or other feasible means."

During the course of the opening debate in the General Assembly, twenty-one nations lined up in favor of change in the veto while six were opposed—including the Soviet Union and Poland. Two resolutions concerning the problem were turned over to the Political and Security Committee for future consideration, the one being the draft resolution proposed by Argentina along the lines of its suggestion of early September, reading:

"THE GENERAL ASSEMBLY RESOLVES

"1. To convene a General Conference of the Members of the United Nations in conformity with Article 109 of the Charter, for the purpose of studying the privilege of the veto granted to the five permanent members of the Security Council, with a view to its abolition as a result of the experience acquired in its application and of the necessity of adjusting the action of the United Nations to the purposes and principles laid down in Chapter 1 of the San Francisco Charter, in so far as they concern the juridical equality of States and the maintenance of international peace.

"2. The Conference shall begin its work three days after the termination of the Second Regular Session of the General Assembly."

The second resolution was in the form of a request from the Australian delegation for information on what the Security Council did with an Assembly resolution of 13 December 1946, asking the Big Five to use the veto power carefully.

The Veto and Admission of New Members

Meanwhile, it was reported that a fight against the veto privilege led by Dr. Herbert V. Evatt, Australian Minister of External Affairs, would be carried on in the General Assembly using as "ammunition" for the campaign the failure of the Security Council to admit to membership the ten nations which had applied since the last meeting of the Assembly. Evatt said of the Charter that Article 4 (which provides that: "The admission of any such state to membership in the United Nations will be effected by a decision of the General Assembly upon the recommendation of the Security Council,") did not mean that the Council had the right to reject would-be members but, according to his view, only gave the Council the right to decide whether or not applicants were able to carry out their obligations. He added that it was not intended to allow Big Five nations to turn down requests for admission to the United Nations on political grounds.

On September 25, the Security Council undertook debate on the applications for membership in the United Nations of the Governments of Italy, Rumania, Hungary, Bulgaria, and Finland. This action followed receipt of three letters: one from the Finnish Government requesting consideration of its application for membership; a second from the United States asking that the Italian application, vetoed by the Soviet Union on August 21, be reconsidered; and the third from Poland requesting that, as a consequence of the coming into force of the peace treaties, the subject of the five membership applications again be placed on the agenda. The draft resolution, on which most of the subsequent discussion was based, was submitted by Poland, and read as follows:

"THE SECURITY COUNCIL, having received and examined the applications for membership in the United Nations of Hungary, Italy, Roumania, Bulgaria and Finland recommends to the General Assembly that these countries be admitted for membership in the United Nations."

The United States supported the Italian application pointing out that since the peace treaty had come into force on September 15, Italy was fully sovereign and an equal and peaceful member of the family of nations. On the other hand the United States, supported by Great Britain, opposed the Hungarian application as the recent elections in that country had been marked with flagrant and persistent violations of human rights in that country—a clear violation of the peace treaty.

Soviet delegate Gromyko presented the view, when speaking in support of the Hungarian application, that Hungary had met the requirements of the Charter and that acceptance of Hungary as a member would be an implementation of the Potsdam Agreement. He pointed out that the United States had its own ideas of human rights and the degree to which they were respected in some countries, but that these criteria could not be accepted by the Council. Gromyko added that the Soviet Union had rejected attempts of the United States to interfere in the internal affairs of Hungary based on tendentious and distorted American information on the situation there. He said further that the Soviet Union was ready to admit Italy to membership if Bulgaria, Hungary, Rumania, and Finland were admitted simultaneously, and asserted that the Italian application could not be considered separately.

In reply to the Soviet proposal, Sir Alexander Cadogan, the United Kingdom representative, said the offer sounded "like something rather commonly and vulgarly known as a horse trade." The Australian delegate said his government had always been opposed to a global and blanket vote on membership applications as required by the Polish resolution; that each application should be treated on its merits. The United States delegate supported Australia and, therefore, could not support the Polish resolution.

Without reaching any decision the Council adjourned this discussion until September 29 at which time the Soviet Union, with the support of Poland, continued firm in its view that all five countries would have to be accepted as members at once. The United States representative protested to the Council that:

"We are making a record that holds out the threat that the veto will be used unless a certain result is obtained. That is a very bad prospect for the United Nations. If we insist, we will warp the rules and do an illegal act to see a certain result obtained...."

In this impasse, Poland suggested that the Council assign the five major powers with the task of attempting to reach a compromise. However, this proposal was rejected. When the meeting of the 29th adjourned, discussion had, however, been completed on the admission of Italy, Hungary, and Rumania. Debate on the admission of Bulgaria and Finland was scheduled for October 1, at which time it was expected a vote would be taken on all the applications.

2. Organization of an Interim Committee

Proposals Before the General Assembly

In his statement before the General Assembly on September 17, U.S. Secretary of State Marshall proposed a procedure for pacific settlement of disputes designed to make greater use of the facilities of the General Assembly in this field and to avoid the paralyzing effects of the use of veto in these matters in the Security Council. He noted that:

"The scope and complexity of the problems on the agenda of this Assembly have given rise to the question whether the General Assembly can adequately discharge its responsibilities in its regular, annual sessions. ...There would seem to be a definite need for constant attention to the work of the Assembly in order to deal with continuing problems. Occasional special sessions are not enough. The General Assembly has a definite and continuing responsibility, under Articles 11 and 14 of the Charter, in the broad field of political security and the preservation of friendly relations among nations. In our fast-moving world an annual review of developments in this field is not sufficient.

"The facilities of the General Assembly must be developed to meet this need. I am therefore proposing, today, that this Assembly proceed at this session to create a standing committee

of the General Assembly, which might be known as the Interim Committee on Peace and Security, to serve until the beginning of its third regular session next September. The committee would not, of course, impinge on matters which are the primary responsibility of the Security Council or of special commissions, but, subject to that, it might consider situations and disputes impairing friendly relations brought to its attention by member states or by the Security Council pursuant to Articles 11 and 14 of the Charter and report to the Assembly or to the Security Council thereon; recommend to the members the calling of special sessions of the General Assembly when necessary; and might report at the next regular session on the desirability of establishing such a committee on a permanent basis.

"In our opinion, every member of the United Nations should be seated on this body. ..."

Soviet Deputy Minister for Foreign Affairs Vyshinsky told the Assembly on the 18th that Marshall's proposal was "a badly concealed scheme to substitute for and to bypass the Security Council," declaring:

"Now as to the question of the Interim Committee. Mr. Marshall proposes the establishment of a Standing Committee of the General Assembly under the title of the 'Interim Committee on Peace and Security,' which would pay constant attention to the work of the General Assembly and its continuing problems. In spite of the reservations in the United States proposal to the effect that the Committee would not impinge on matters which are the primary responsibility of the Security Council or its special commissions, there is not the slightest doubt that the attempt to create an Interim Committee is nothing but a badly concealed scheme to substitute for and to bypass the Security Council. The functions of this Committee, whose task it would be to consider 'situations and disputes that impair friendly relations' among nations, are nothing more than the functions of the Security Council as provided for by Article 34 of the Charter. Even by virtue of this situation alone these functions cannot be transferred to any other organ, no matter what its name is, without obvious and direct violation of the Charter of the United Nations; and of course the Soviet Delegation can in no way accept it and will energetically oppose it. ..."

A modification of the Marshall suggestion was made by Australian Minister Evatt at a press conference on the 19th. Evatt proposed that whenever attempts by the Security Council to find a peaceful solution to a case were blocked by the use of the veto, the dispute should be referred to a committee of the General Assembly. He illustrated his point, stating:

"A case is before the Security Council. An action, say an inquiry by a special commission, is proposed. The proposal gets at least the majority of seven votes, but it is blocked by a veto. In that instance, the case would automatically go to a special permanent committee of the U.N. Assembly which, after study of it, would have the power to convene if necessary a special session of the Assembly."

3. Organization of Forces Made Available to the Security Council

Soviet Estimate of Over-all Strength of UN Armed Forces

The Soviet delegation on September 9 submitted to the Military Staff Committee "for preliminary and informal discussion" its "estimate of the overall strength of the armed forces" to be put at the disposal of the Security Council. France, Great Britain and the United States had submitted their estimates during June, with China supporting Great Britain. At that time the Soviet Union did not submit any figures.

The Soviet statement recommended that the Big Five should initially make available to the Security Council twelve divisions of land forces; air forces to include 600 bombers, 300 fighters, and 300 "other planes"; and naval forces comprising 5-6 cruisers, 24 destroyers, 24 minesweepers, 12 submarines, and 24 escort vessels. The United States' estimates had run considerably higher than those submitted by the Soviet delegation. All the provisional figures submitted were to be considered by the Military Staff Committee in its continuing work to reconcile differences among the powers both as to estimates and principles governing the use and disposition of the proposed United Nations security force.

4. International Control of Atomic Energy

Proposed Functions for an International Agency

At its meeting on September 2, the Control Committee of the Atomic Energy Commission devoted further discussion to six informal working papers which had been under consideration since August, and which dealt with the functions and rights of the proposed International Agency for the Control of Atomic Energy. The Soviet Union informed the Committee that divergencies of opinion within the group were so fundamental that it could see no useful purpose in submitting amendments to the papers. The Polish delegate, however, analyzed several points in detail, declaring:

"Ownership by the [international] agency of any atomic materials or facilities" was completely unacceptable.

"The fact cannot be overstressed that any provision in the general plan for the control of atomic energy which implies a direct interference with the economic systems of individual countries contains the seeds of future conflicts endangering international peace and security.

"The principle of conducting free aerial surveys is unacceptable to the Polish delegation without a universal disarmament covering not only mass destruction weapons, but also all those classified as conventional ones.

"In case of obvious noncooperation [in inspection] of the respective nation, warrants should be obtained only from the Security Council itself, or from an international body established within its framework."

During the next meeting of the Control Committee, two days later, the Australian representative spoke of President Truman's announcement that the United States was making radioactive isotopes available to all nations. Such a step, he said, was "a clear answer to those critics who have contended that the United States was attempting to impose a monopoly in the atomic field," and he compared it with "the original unprecedented offer of the United States to give up the most powerful weapon known to man." Associating themselves with this viewpoint were the representatives of France, Brazil, Great Britain, Colombia, Belgium, and China. The Polish delegate called it "the first bridge in the dividing line between countries progressing in the atomic field and those countries which so far did not have this possibility."

Soviet Policy on Atomic Energy Control

A letter dated September 5 from Soviet delegate Gromyko to Sir Alexander Cadogan answered questions asked by the United Kingdom on August 11 regarding Soviet proposals on atomic energy control. No modification of the Soviet attitude was apparent in the communication. In answer to the question whether the Soviet Union would agree that a convention prohibiting atomic weapons should come into force only upon implementation of a second convention setting up controls, the Soviet Union declared:

"The Soviet Government has considered and continues to consider the prohibition of atomic weapons and the conclusion of appropriate convention to this end as a foremost and urgent task in the establishment of international control of atomic energy. After the conclusion of convention on the prohibition of atomic weapons, another convention can and must be concluded, to provide for the creation of an international control commission and for the establishment of other measures of control and inspection, ensuring the fulfilment of convention on the prohibition of atomic weapons."

To the question, "What is meant by 'periodic inspection' ...Does it refer to special cases only, and does it exclude the notion of continuous inspection in the general field?" it was stated:

"Inspection should be of a periodical character both in the general field and in the application to special cases. The inspection of a periodical character should not necessarily imply the carrying out of inspection at regular intervals, fixed beforehand. Inspection can be carried out by the decision of the international control commission in compliance with the necessity."

The British query, "Does the Soviet Government contemplate 'inspection by an international inspectorate' in the sense that the agency's own inspectors, answerable only to the agency or commission, must be admitted to each country?" was answered as follows:

"For carrying out inspection, the international control commission must have at its disposal a staff of inspectors selected on an international basis. These inspectors will be accountable only to the commission."

The United Kingdom next asked: "Can the Soviet proposals be interpreted as providing for any forms of control other than inspection?" The Soviet answer to this was:

"Besides the prohibition of atomic weapons, the Soviet proposals on the international control of atomic energy provide for:

- (1) inspection and investigation,
- (2) accounting,
- (3) working out and assignment by the commission of the rules of technological control of the plants,
- (4) requesting from governments information, relating to the activities of the plants of atomic energy, and
- (5) submitting recommendations to governments and preparation of recommendations to the Security Council."

A question as to whether the Soviet proposals allowed "any further consideration of such controls as supervision, management or licensing as defined in the First Report of the Atomic Energy Commission" brought a negative reply:

"No, since supervision, management, and licensing do not follow from the tasks of the establishment of strict and effective international control of atomic energy."

Two final questions related to whether all measures for preventing and suppressing violations would be subject to the veto in the Security Council or whether "at least minor sanctions" could be decided upon by a majority vote either in the Commission itself or in the Security Council. The two answers given by the Soviet Union revealed no change in Soviet determination to retain the veto in all instances:

"Item 6 (h) of the Soviet proposals should be understood in the sense that the question of sanctions against violators of the convention on the prohibition of atomic weapons is subject to decisions by the Security Council only. As it is known, procedure of adoption by the Council of decisions on sanctions as well as of other important decisions relating to the maintenance of international peace has been defined in Article 27 of the United Nations Charter.

"In conformity with the United Nations Charter, decisions on all sanctions can be taken only by the Security Council."

Second Report of Atomic Energy Commission

The draft of the second report of the Atomic Energy Commission (covering its work from January 1947 to September 10, 1947) was approved on September 8 during meetings of the Control and Working Committees, with the Soviet Union voting against all the working papers and Poland against

all but one. The Soviet Union also opposed the draft of the introduction to the report.

Two meetings of the Commission were devoted to debate on the report before final approval, with the session on the 10th largely monopolized by Soviet representative Gromyko in criticism of the document, who commented in part:

"The proposals of the majority, contained in the report under discussion, not only ignore the most important task before the United Nations in connection with the establishment of the control over atomic energy--the prohibition of atomic weapons--but also contain a number of unacceptable provisions which are in contradiction with the decision of the General Assembly on the prohibition of atomic weapons as well as with the basic principles of the United Nations. ...

"It was not accidental that the majority proposals contained in the Second Report, in fact by-pass the question of inspection. Insofar as they touch upon this question they contain unacceptable provisions as they ignore the sovereign rights of states. The authors of these proposals are worrying here not about the effective character of the inspection but about how to adapt and adjust this inspection to the Baruch plan of establishing a world atom trust, the boss of which would be the United States. ...

"Whenever the possibility of an agreement became apparent, the American representatives as a rule bolted aside, attempting to prove that agreement was not possible anyhow and that it was useless to discuss the Soviet proposals. ...

"International control over atomic energy is one of the important links in the system of measures to be taken by the United Nations with a view to strengthening international security. ... The Soviet Government has stood for and still stands for strict and effective international control over atomic energy."

Approval of the report was expressed by the representatives of Canada and France. United Kingdom representative Sir Alexander Cadogan indicated acceptance, but pointed out certain matters over which his government "was not entirely happy" and wished further consideration--these points being: definition of dangerous quantities of material; the implications of ownership by the International Agency; and the extent to which the agency needed to conduct research for the development of atomic weapons.

U.S. representative Frederick H. Osborn said, "The United States Government accepts this report, will vote for it and support it wholeheartedly," adding that the Soviet proposals "by their very nature would accentuate rather than prevent national rivalries." Emphasizing that the work was recognized to be unfinished, he said: "As we continue our work there will be limitations on the extent to which these matters can be dealt with in detail until the Soviet Union accepts the views of the

majority as to the functions and powers of the agency." Osborn stated further:

"The representative of the Soviet Union has charged that others than himself have stated that agreement was impossible. That is not my view. Such a statement is without foundation in fact, as is proved by the records of this commission and its committees, which show also that the Soviet Union has consistently, since the beginning of our work on June 14, 1946 attempted to impede the desires of the majority to proceed constructively. Do the views of ten of the nations presently represented on this commission and of the three other nations who voted with the majority for the first report count for nothing? Must we conclude that agreement is possible only on the basis of terms laid down by the Soviet Union, which would place no effective restraint on aggressor nations?

"It seems to me that it is rather the Soviet Union that must soon realize that the only treaty acceptable to the peoples of the world will be one which does away with national rivalry in this field and, in exchange for new obligations which all nations would share equally, provides real security against the most dreadful kind of warfare, and a clearly defined right to share on an equitable basis in the peaceful uses of these new discoveries. In our opinion, this report provides the essential basis for such a treaty."

When the report was put to a vote, ten members were found to be in favor, the Soviet Union voted in the negative, and Poland abstained.

The report, made public on September 17, stated that the work of the Commission since December 1946 had two principal aspects: (1) discussion of the points of disagreement expressed by the Soviet Union; and (2) the formulation of specific proposals by the Commission. On the second point the introduction to the report stated:

"The specific proposals, which are set forth in Part II, deal with the functions and powers of an international agency for the control of atomic energy, which have been evolved from the considerations advanced in the First Report. They give expression to certain basic principles including:

"1. Decisions concerning the production and use of atomic energy should not be left in the hands of nations.

"2. Policies concerning the production and use of atomic energy which substantially affect world security should be governed by principles established in the treaty or convention which the agency would be obligated to carry out.

"3. Nations must undertake in the treaty or convention to grant to the agency rights of inspection of any part of their territory, subject to appropriate procedural requirements and limitations.

"In implementing these principles, the following basic measures are provided:

"(a) production quotas based on principles and policies specified in the treaty of convention;

"(b) ownership by the agency of nuclear fuel and source material;

"(c) ownership, management, and operation by the agency of dangerous facilities;

"(d) licensing by the agency of non-dangerous facilities to be operated by nations; and

"(e) inspection by the agency to prevent or detect clandestine activities."

In a more general vein, the introduction continued:

"The majority of the Commission concludes that the specific proposals of this Report which define the functions and powers of an international agency, taken together with the General Findings and Recommendations of the First Report, provide the essential basis for the establishment of an effective system of control to ensure the use of atomic energy only for peaceful purposes and to protect complying states against the hazards of violations and evasions. ...

"It is evident that, until unanimous agreement is reached on the functions and powers of the international agency, there will be limitations on the extent to which proposals on other topics in the Summary of Principal Subjects can be worked out in detail. Clearly, much remains to be done before the final terms of a treaty or convention can be drafted. The Commission intends to proceed with the remaining topics in the summary and, at the same time, will continue its endeavours to clarify and resolve, where possible, the existing points of disagreement."

U.S. Secretary of State Marshall, speaking of the work of the Atomic Energy Commission, told the General Assembly on the 17th that real progress had been made in "spelling out in detail the functions and powers of an international control agency." The lack of complete agreement on the conclusions, however, he called "a disturbing and ominous fact," and concluded by saying: "If the minority persists in refusing to join with the majority, the Atomic Energy Commission may soon be faced with the conclusion that it is unable to complete the task assigned to it under the terms of reference laid down in the General Assembly Resolution of January 24, 1946."

Exception was taken to Marshall's conclusions by Soviet Deputy Minister Andrei Vyshinsky in his speech before the Assembly on the 18th. Vyshinsky said that the United States had disrupted the outlawing of atomic weapons--as relating to the deadlock on negotiations in the UN Atomic

Energy Commission--and the "positive" efforts of the Soviet Government to contribute to "the positive solution of this question." He continued:

"...There is no doubt whatever that many of these disagreements could have been eliminated, provided there had been displayed a more objective approach to the question on the part of some delegations, the American delegation included. For instance, it could have been possible to eliminate the disagreement that arose in connection with the Soviet delegation's proposal on destruction of atomic bomb stocks upon the coming into force of the convention outlawing atomic weapons. As is known, the majority in the Commission agreed in principle that it is necessary to destroy the stock of atomic weapons and use their nuclear energy only for peaceful aims. Only one delegation, to wit, the delegation of the United States of America, continues to object to the destruction of the stock of atomic bombs, thus obstructing a decision on the question approved by the majority of the Commission.

"One's attention is attracted by the situation that has been created with regard to the question of inspection. The American delegation previously was stressing the particular significance of inspection. In the Soviet delegation's proposals inspection also is the main issue after the outlawing of atomic weapons.

"At present, the American delegation has unexpectedly begun to lessen the importance of inspection, putting into first place other questions, such as the transfer of atomic enterprises to the ownership of an international body, management, issuance of licenses and so forth. At the same time, the American delegation does not want the opinions of authoritative men of science to be taken into account. ..."

The Soviet delegate next went on to affirm that "The USSR is for the outlawing of atomic weapons, for strict international control," asserting:

"The Soviet Union proposed in the interests of universal peace to conclude a convention outlawing the use of atomic weapons in all circumstances whatever. ...

"The Soviet Union stands for strict international control over atomic energy plants but such control, however, which should not be transformed into interference with those branches of national industry and with those questions that are not connected with atomic energy. ...

"Proceeding from the principles outlined above of the establishment of international control which should be, we repeat, real strong and effective, the Soviet delegation believes it necessary to put the inspection authorities within certain limits, to restrict their rights to the aims of genuine control over atomic energy, excluding the possibility of the

use of the control authorities for arbitrary intervention in any branches of the national economy of any country, not considering the fact that such intervention can only undermine and destroy the national economy of any country. ...

"Naturally, one cannot expect successful results from work in which there is shown on the part of some delegations no intention to cooperate for the purpose of achieving the aims stated in the General Assembly's resolution of December 14, 1946. ...The conscience of the nations cannot tolerate such a state of affairs when, notwithstanding the appeal of the United Nations Organization to eliminate atomic weapons and other principal types of means of mass extermination of human beings, the manufacturing of such means not only continues but even increases more and more."

United States Announcement Concerning Radioisotopes

The U.S. Atomic Energy Commission, in announcing the availability of radioisotopes for medical and biological research, released a statement on September 3, in which it was asserted:

"Radioisotopes, considered the most important medical research tool since the invention of the microscope, can now be produced in sufficient quantity by the United States Atomic Energy Commission to permit the twenty most important isotopes for medical and biological research to be made available in the limited amounts and at reasonable cost to qualified users outside of the United States....

"Foreign governments whose research workers request radioisotopes first agree:

"(1) To make progress reports to the United States Atomic Energy Commission every six months on the results of the work with the isotopes and to permit publication of reports.

"(2) To insure that the radioisotopes are used for the purpose stated in the requests, which must be approved by the commission prior to shipment in the same manner as domestic requests.

"(3) To permit qualified scientists irrespective of nationality to visit the institutions where the materials will be used and to obtain information freely with respect to the purposes, methods and results of such use, in accordance with well established scientific tradition....

Lilienthal Views on Non-Military Uses of Atomic Energy

In a speech on September 22, David E. Lilienthal, chairman of the U.S. Atomic Energy Commission, declared that to identify atomic energy only with weapons was a "major fallacy" which would increase the difficulties in the way of removing atomic energy from the military field. He observed:

"It is perfectly true that atomic energy produces a weapon of unimaginably destructive power. It is true that this nation's Atomic Energy Commission is today designing, developing and producing such weapons. As required by law, we fully intend to maintain American preeminence in these weapons until effective international safeguards are in force. It is true that our present monopoly in production of such weapons will not last indefinitely, and that in time other nations on their own can produce such bombs. It is true that war in which such bombs were used in numbers would be a catastrophe of unendurable violence to civilization. It is for these reasons that in the United Nations this and other nations have made and continue to make efforts to place atomic weapons under international controls--workable, fool-proof controls--efforts which are thus far not successful.

"But it is equally important to understand that atomic energy and atomic bombs are not synonymous. To continue to think so as most people do is a major fallacy, a fallacy that will make more difficult our efforts to eliminate atomic energy as a weapon of war, a fallacy that may keep us from the beneficial fruits of this great discovery."

5. Regulation of Conventional Armaments

Activities of United Nations Working Committee

The Working Committee of the Conventional Armaments Commission adopted on September 9 by a vote of 7 to 2 (with 2 abstentions) a resolution submitted by the United States, and amended by Australia, which read as follows:

"The Working Committee resolves to recommend to the Commission that it advise the Security Council (1) that it considers that all armaments and armed forces, except atomic weapons and weapons of mass destruction, fall within its jurisdiction and that weapons of mass destruction should be defined to include atomic explosive weapons, radio active material weapons, lethal chemical and biological weapons, and any weapons developed in the future which have characteristics comparable in destructive effect to those of the atomic bomb or other weapons mentioned above; (2) that it proposes to proceed with its work on the basis of the above definition."

Brazil and China abstained from voting, while the two negative votes were cast by the Soviet Union and Poland.

During a discussion on the 12th of the plan of work for the Commission the establishment of a committee to study various measures, such as controls on military expenditures and control of military raw materials and production, was suggested by Sir Alexander Cadogan as an interim measure to restore international confidence in the possibility of disarmament. It was also recommended that, meanwhile, information could be exchanged on the specific topic of military manpower--and as a first step, a circular letter should be sent to members of the United Nations requesting figures on the strength of armed forces. After some discussion, it was agreed that each delegation should submit its ideas in writing for the Committee to consider.

Secretary of State Marshall, in his speech to the General Assembly on the 18th, recognized "the importance of the regulating of conventional armaments," and expressed regret "that much more progress [had] not been made in this field." He gave as the conviction of the United States, that:

"...a workable system for the regulation of armaments cannot be put into operation until conditions of international confidence prevail. We have consistently and repeatedly made it clear that the regulation of armaments presupposes enough international understanding to make possible the settlement of peace terms with Germany and Japan, the implementation of agreements putting military forces and facilities at the disposal of the Security Council, and an international arrangement for the control of atomic energy.

"Nevertheless, we believe it is important not to delay the formulation of a system of arms regulation for implementation when conditions permit. The Security Council has accepted a logical plan of work for the Commission for Conventional Armaments. We believe that the Commission should proceed vigorously to develop a system for the regulation of armaments in the business-like manner outlined in its plan of work."

B. REGIONAL PROBLEMS

1. Inter-American System

Inter-American Conference for the Maintenance of Continental Peace and Security

The closing session of the Inter-American Conference for the Maintenance of Continental Peace and Security was held on September 2, and the formal signing of the Treaty of Rio de Janeiro, which was drafted by the Conference, took place later the same day at the Brazilian Foreign Office. President Truman, in addressing the closing session of the Conference told the delegates:

"Our nations have provided an example of good neighborliness and international amity to the rest of the world, and in our association together we have strengthened the fabric of the United Nations."

The provisions of the Treaty of Rio de Janeiro—or the "Inter-American Treaty of Reciprocal Assistance" as it is known by its formal and legal title—make a broad separation of the types of inter-American action to be taken under the Treaty in the case, on the one hand, of armed attacks on American states, and on the other, of an act of aggression that is not an armed attack against an American state or of a threat of any kind of aggression.

In the case of an armed attack on an American state, three separate procedures are contemplated under the Treaty, depending on where the attack takes place and on whether the attacking state is a non-American or

American state. To this end, Article 4 of the Treaty defines a regional security zone in the Western Hemisphere that extends from the North Pole to the South Pole, and includes the continents of North and South America, Greenland (but not Iceland), several hundred miles of the sea lying off the coasts of these continents, and some of the islands lying off the coasts. In the case of an armed attack within the zone on an American state, or on the territory of an American state outside the zone (e.g. Hawaiian Islands or Guam), the following provisions of Article 3 of the Treaty apply:

"1. The High Contracting Parties agree that an armed attack by any State against an American State shall be considered as an attack against all the American States and, consequently, each one of the said Contracting Parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations.

"2. On the request of the State or States directly attacked and until the decision of the Organ of Consultation of the Inter-American System, each one of the Contracting Parties may determine the immediate measures which it may individually take in fulfillment of the obligation contained in the preceding paragraph and in accordance with the principle of continental solidarity. The Organ of Consultation shall meet without delay for the purpose of examining those measures and agreeing upon the measures of a collective character that should be taken."

If the attacking state is an American state, however, in addition to the foregoing provisions, the following provisions of Article 7 also apply:

"In the case of a conflict between two or more American states, without prejudice to the right of self-defense in conformity with Article 51 of the Charter of the United Nations, the High Contracting Parties, meeting in consultation shall call upon the contending States to suspend hostilities and restore matters to the statu quo ante bellum, and shall take in addition all other necessary measures to re-establish or maintain inter-American peace and security and for the solution of the conflict by peaceful means. The rejection of the pacifying action will be considered in the determination of the aggressor and in the application of the measures which the consultative meeting may agree upon."

If the armed attack on an American state does not take place within the zone and is not made on the territory of an American state outside the zone, (e.g. on U.S. occupation forces in Germany, Japan or Korea) then the provisions of the foregoing Articles do not apply. Instead, under Article 6 of the Treaty, the only requirement is that:

"....the Organ of Consultation shall meet immediately in order to agree on the measures which must be taken in the case of aggression to assist the victim of the aggression or, in any case, the measures which should be taken for the common defense and for the maintenance of the peace and security of the Continent."

In the case of acts of aggression that are not armed attacks, or of threats of aggression against an American state, the following provisions of Article 6 also apply:

"If the inviolability or the integrity of the territory or the sovereignty or political independence of any American State should be affected by an aggression which is not an armed attack or by an extra-continental or intra-continental conflict, or by any other fact or situation that might endanger the peace of America, the Organ of Consultation shall meet immediately in order to agree on the measures which must be taken in case of aggression to assist the victim of the aggression or, in any case, the measures which should be taken for the common defense and for the maintenance of the peace and security of the Continent."

The consultations that will take place among the American states in the event of either armed attacks or threats of aggression will, under Article 11 of the Treaty, be carried out through meetings of the Ministers of Foreign Affairs of the American states which have ratified the Treaty, although the Governing Board of the Pan-American Union may, under Article 12 of the Treaty, act provisionally as the organ of consultation until the meeting of the Foreign Ministers.

Another feature of the Treaty is that decisions of the Organ of Consultation shall be taken by a two-thirds vote of the member states and shall be binding on all the parties to the Treaty, with the sole exception that no state shall be required to use armed force without its consent. Measures which are, therefore, binding under a two-thirds vote and which are specified in Article 8 of the Treaty include:

"...recall of chiefs of diplomatic missions; breaking of diplomatic relations; breaking of consular relations; partial or complete interruption of economic relations or of rail, sea, air, postal, telegraphic, telephonic, and radiotelephonic or radiotelegraphic communications..."

The Treaty is made clearly consistent with the Charter of the United Nations in that Articles 5 and 10 provide respectively that:

"The High Contracting Parties shall immediately send to the Security Council of the United Nations, in conformity with Articles 51 and 54 of the Charter of the United Nations, complete information concerning the activities undertaken or in contemplation in the exercise of the right of self-defense or for the purpose of maintaining inter-American peace and security."

"None of the provisions of this Treaty shall be construed as impairing the rights and obligations of the High Contracting Parties under the Charter of the United Nations."

The Treaty of Rio de Janeiro was signed by the representatives of 19 of the 21 members of the Pan-American Union, including both the United States and Argentina. Nicaragua and Ecuador were the only two

members of the Union not among the original signatories at Rio de Janeiro. Because of the difficulties over the diplomatic recognition of the Somoza government in Nicaragua following its coup d'etat in the early summer of this year, that state was not invited to the Rio Conference. Ecuador, while participating in the early stages of the Rio Conference, was forced, by the revolution in August that deposed the existing government, to withdraw from the Conference before the end of its proceedings, pending recognition of the new government.

The terms of Article 23 of the Treaty provide that the Treaty is open for signature by all American states, so that Nicaragua and Ecuador can later sign and ratify it. It was also reported from Rio de Janeiro, without official confirmation, that the provisions of this same Article can be interpreted to allow Canada later to sign and ratify the Treaty if it wishes to do so, and thus to accept the Treaty's obligations.

According to Article 22, the Treaty becomes effective upon ratification by two-thirds of the signatory states and will, by the provisions of Article 25, remain in force indefinitely. It may, however, be denounced under the latter Article by any one of the parties to it, and would cease to be in force with respect to that party after the expiration of two years from the date of notification of denunciation.

Following his return from the Rio Conference, U.S. Secretary of State George C. Marshall in a broadcast from Washington on September 4 reported in part on the Rio Treaty as follows:

"I do not think it is an overstatement to say that this demonstration of trust and cooperation, this evidence of a willingness to adjust the many varied national points of view in order to make possible a unanimous agreement for the good of all, is the most encouraging, the most stimulating international action since the close of hostilities. The results of the Conference demonstrate, I think beyond doubt, that where nations are sincerely desirous of promoting the peace and well being of the world it can be done, and it can be done without frustrating delays and without much of confusing and disturbing propaganda that has attended our efforts of the past two years....

"...The full degree of the accomplishment is difficult to grasp. The casual reader, or even the casual student, of international matters has difficulty in visualizing the tremendous complications involved in reaching at a conference of sovereign governments precise agreements regarding mutual obligations to take definite action--even in matters of self-defense....

"The purpose of the treaty is to provide for the peace and security of the Western Hemisphere. It lays down in precise terms the agreed action to be taken in case of aggression from without or of aggression within the Hemisphere. More than that, it reflects the unity of purpose of the countries represented, the solidarity of their attitude...."

Senator Arthur H. Vandenberg, a member of the U.S. delegation to the Rio Conference, following Marshall on the same broadcast, said:

"We have re-knit the effective solidarity of North, Central and South America against all aggressors, foreign and domestic. We have sealed a pact of peace which possesses teeth. We have not deserted or impaired one syllable of our over-riding obligations to the United Nations. This pact is not a substitute for the United Nations. It is a supplement to the United Nations and part of its machinery. The signers of this Treaty have fulfilled the United Nations Charter by creating what is officially called a 'Regional Arrangement' which adds new and effective obligations and protections for peace and security within the area of our Western Hemisphere...."

"I have constructed the following sentence from literal phrases taken out of the text of the new Treaty. ... Because it is literal it is authentic. It says what it means and it means what it says. This is the sentence:

"The American Republics, reiterating their will to remain United, pledge themselves to consolidate and strengthen their friendship and good neighborliness; to submit every controversy which may arise between them to peaceful settlement; but in case of armed attack from within or without the Hemisphere, to prevent or repel aggressions against any of them through effective reciprocal assistance. ...

Lest anyone misinterpret the principal aim of the Rio Treaty, Vandenberg declared:

"Nothing that we have done is aimed at any other enemies than war and aggression and injustice, the three deadly foes of civilized mankind. I repeat here what I said to the Brazilian Congress last week. If there should be those who suspect us of ulterior motives they will merely confess their own."

"Nothing we do here subtracts one single word from our overall responsibilities to the United Nations to which we renew our allegiance in a special, categorical pledge. Everything we do here is devoid of the remotest thought of conquest or imperialism and is dedicated solely to the orderly pursuit of international justice and security. Thus we give the greatest possible encouragement and aid and strength to the United Nations and we set them an example worthy of high emulation."

C. OTHER ASPECTS OF UNITED STATES MILITARY SECURITY

Armed Services Unification

On instructions from President Truman, James Forrestal on September 17 took the oath of office as the country's first Secretary of Defense--thus partially implementing the provisions for armed services unification as provided in the National Security Law of 1947. The President's

instructions indicated that because of the urgency of the international situation, he wanted the unification of the armed forces to be in effect upon his return to the United States from the Rio de Janeiro Conference.

On the 19th Secretary of the Army Kenneth C. Royal made public a plan, containing over 200 specific agreements between the Army and Navy, to implement the National Security Law--pointing out that approval by Forrestal to these agreements was necessary for them to become operative. Royal said he believed the most important changes to be:

"(1) Division of authority in the matter of personnel of the two services.

"(2) Full recognition of the independence of installations of the two services except in cases where it is deemed advisable to have joint services.

"(3) Initial continuance of a system of cross-servicing which now exists."